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No. 2759

IN THE

United States Circuit Court of Appeals
FOR THE NINTH CIRCUIT

COLUMBIA GRAPHOPHONE COMPANY,
Defendant-Appellant,
vs.
SEARCHLIGHT HORN COMPANY,
Plaintiff-Appellee.

Appeal in Equity. (Patent Suit.)

ON THE NIELSEN PHONOGRAPH HORN PATENT, No. 771,441

BRIEF FOR DEFENDANT-APPELLANT

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MAY 1
F. D. Mo

C. A. L. MASSIE,
CHAS. E. TOWNSEND,
Of Counsel for Defendant-Appellant.

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IN THE

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FOR THE NINTH CIRCUIT

COLUMBIA GRAPHOPHONE COMPANY, *Defendant-Appellant,* vs. SEARCHLIGHT HORN COMPANY, *Plaintiff-Appellee.*	Appeal in Equity. (Patent Suit.)

APPEAL FROM DECREE BY U. S. DISTRICT COURT, NORTHERN DISTRICT OF CALIFORNIA, SECOND DIVISION, SUSTAINING THE NIELSEN "HORN" PATENT No. 771,441.

BRIEF FOR DEFENDANT-APPELLANT.

STATEMENT.

This is a patent suit, coming from the Northern District of California, Judge VAN FLEET.

The suit is based on U. S. Letters-patent No. 771,441, granted Oct. 4, 1904, to Peter C. Nielsen, for "Horns for Phonographs or Similar Machines." Claims 2 and 3 only are in issue.

The interlocutory decree of the Court below sustains said Claims 2 and 3 as valid and infringed, and awards an injunction and an accounting.

The appellant here, the Columbia Graphophone Co. (whose former name was "Columbia Phonograph Company, General"), was the defendant below, and will hereafter be referred to as "defendant" or "Columbia Co." The appellee here, the Searchlight Horn Co., was the plaintiff below, and will hereafter be referred to as "plaintiff" or "Searchlight Co."

The Defenses are:

(1) Lack of patentable novelty and invention in view of the Prior Art.

(2) Non-infringement in view of the limited scope of the Nielsen Patent (if valid).

(3) Laches.

Even should the defenses of invalidity and non-infringement and laches be held insufficient to require complete dismissal of the bill, nevertheless plaintiff is not entitled to an *accounting*.

It will be helpful to refer briefly to the status of the Nielsen Patent before this Court, and to explain how the present Record has been made up.

I. STATUS OF NIELSEN PATENT BEFORE THIS COURT.

Although the Nielsen Patent has been involved in prior litigation, and has even been before this Court several times, yet the present appellant was *not a party* to the prior litigation, and the present appeal brings up *new* defenses. Moreover this Court is not precluded from considering the Patent *ab initio* and holding it invalid in view of merely the old evidence taken in former litigation against *other* parties.

> Mast, Foos vs. Stover, 44 Law. Ed. 856; 177 U. S. 485.

In fact, this Court has never felt called upon before this time to pass, directly and judicially, upon the validity of the Nielsen Patent; and this Court has not yet considered the patentable novelty or lack of patentable novelty of the Nielsen disclosures.

That is to say, it was by *writ of error* that the Patent came before this Court the first time,—a writ of error on behalf of Sherman-Clay & Co., a defendant in an action at law before a jury. And on that occasion this Court (214 Fed. 86) confined itself to the questions of *law* with respect to (1) admission or rejection of evidence, and (2) instructions to the jury; and the adjudication by this Court was that the issues of *validity* and *infringement* had been properly left to the *jury* by the trial Judge. Although this Court did refer, on that occasion to the meagre prior art there adduced, nevertheless the pre-

cise question then decided by this Court was whether the primary issues of validity and infringement had been properly left to the *jury,* and this Court expressly adjudged that those primary issues *were* for the jury—and for the jury *alone*—and were *not* for either the trial Judge or the appellate Judges to decide. See *Sherman-Clay & Co.* vs. *Searchlight Horn Co.,* 214 Fed. 86, when this Court made the following explicit statements (emphasis ours):

> "Whether this construction of the Nielsen horn constituted invention was a question of fact *for the jury,* and which the court submitted *to the jury* with appropriate instructions." (Middle of page 93.)
>
> "The whole question [of invention], under the testimony, was *for the jury,* and it was clearly and accurately submitted *to them* under the instructions given." (Middle of page 94.)
>
> "The whole question of infringement was left *to the jury,* and they were instructed on that subject." (Bottom of page 97.)
>
> "Obviously, the giving of such instructions [certain instructions defining the scope of the Nielsen Patent, requested by that defendant and refused by the trial Judge] would have been error, for by them the whole doctrine of mechanical equivalents * * * would have been taken from the jury, and it [the jury] would have been directed as to the verdict which it should return on one of the important questions arising in the case, the determination of which, in the light of the conflicting testimony, was clearly and *solely* within its [the jury's] province." (Bottom of page 98.)

The Nielsen Patent was also before this Court on appeal from the *preliminary injunction* granted in

a subsequent suit against the same original defendant (Sherman-Clay & Co.), on the basis of the verdict and judgment aforesaid. [And also on companion appeals from similar preliminary injunctions granted against the Pacific Phonograph Co. and against Babson Bros.]. But in disposing of those appeals (214 Fed. 99, on page 100), this Court confined itself to holding that, inasmuch as the prior verdict and judgment aforesaid had sustained the Patent as valid and as covering the Sherman-Clay horns, therefore the District Court did not abuse its discretion in granting preliminary injunction under said Patent against the same horns in the hands of the same defendant Sherman-Clay [and against similar horns in the hands of said Pacific Co. and said Babson Bros.]. And again this Court refrained from passing upon the prior art or the validity and scope of the Nielsen Patent.

The rule of *stare decisis* may quite properly be invoked in the lower Court as ground for again sustaining the Nielsen Patent; in *this* Court that rule does not apply. This Court is not precluded from considering at this time the questions of FACT now for the first time presented for decision *by this Court,*—nor from deciding (for the *first* time) whether, in view of all the evidence, the Nielsen Patent is valid or invalid. Moreover, the present cause is an independent suit, against a *new* defendant, not a party or privy to any former litigation; and in the present record are *new defenses,* which were not before the jury in the former cause, and never before presented in *this* Court.

Andrews vs. Hovey, 31 Law. Ed., 160; 123 U. S., 267.

Same vs. Same, 31 Law. Ed., 557; 124 U. S., 694.

Greene vs. City of Lynn, 55 Fed. Rep., 516.

Mast, Foos vs. Stover, 44 Law. Ed., 856; 177 U. S., 485.

Rumford vs. Hygienic, 54 Law. Ed., 137; 215 U. S., 156,—

Affirming 83 C. C. A., 177; 154 Fed. Rep. 65;

And Reversing 86 C. C. A. 416; 159 Fed. Rep., 436.

On this general subject, however, we do not need to go beyond this Court.

Truman vs. *Carvill Mfg. Co.,* 87 Fed. 470, is a leading case; and there are so many points of similarity between that case and the present one, we beg leave to quote the following from Judge MORROW'S Opinion:

> "To establish the validity of the patent, the complainant relies, for the most part, upon the decision of the circuit court of appeals for this circuit, affirming the judgment of this court in the case of Truman v. Holmes, 14 C. C. A. 517, 67 Fed. 542, and contends that it is res judicata, and concludes the defendant from denying the validity of the patent. * * *
>
> "It is true that, in suits where a preliminary injunction is asked for, the fact that the same

patent has been sustained in other cases will often justify the court in granting the preliminary injunction."

(Citing numerous cases.)

"But no question of the propriety of granting a preliminary injunction arises now. The case is to be disposed on its merits. So far as appears, this is the first time that this particular defendant has had his day in court. It furthermore appears affirmatively that some additional testimony has been introduced to that presented in the action at law relied on as res judicata. To what extent the evidence in the two cases differs on all the issues presented, does not clearly appear; * * *

"While the case of Truman v. Holmes may be considered as conclusive authority to establish the validity of the patent, insofar as the defense of prior use, or other defense presented in that case, may be concerned, still it is obvious that it is not conclusive in this case, where a different defendant is involved, upon the defense of prior publication; it appearing affirmatively that other and additional evidence has been introduced in the case at bar to support that defense, which was before the court in Truman v. Holmes. The following authorities —without entering into a discussion of them— will be found to support the views I have taken of the effect of the judgment in the case of Truman v. Holmes, supra, as applied to the case at bar: Russell v. Place, 94 U. S. 606; Potter v. Whitney, 1 Low. 87, Fed. Cas. No. 11,341; Page v. Telegraph Co., 2 Fed. 330; Day v. Rubber Co., Id., 570; Wilson v. Coon, 6 Fed. 611; Consolidated Safety-Valve Co. v. Ashton Valve Co., 26 Fed. 319; Lockwood v. Faber, 27 Fed. 63; Machine Co. v. Hedden, 29 Fed. 147; Cary v. Manufacturing Co., 31 Fed. 344; Miller v. To-

> bacco Co., 7 Fed. 91; Norton v. Wheaton, 57 Fed. 929; Southern Pac. Co. v. Earl, 27 C. C. A. 185, 82 Fed. 690; 3 Rob. Pat. Sec. 1175 et seq; 21 Am. & Eng. Enc. Law, 128, 227. The court therefore feels compelled to consider the case upon its merits, and to pass its own independent judgment upon the defense now presented, as to which additional evidence has been introduced.

This rule, so clearly stated by Judge MORROW, has been frequently followed in this Court. See:

> Wheaton vs. Norton, 70 Fed. 833 (Ninth C. C. A.), see 41 Law. Ed. 810; 165 U. S. 518.
>
> Norton vs. Jensen, 90 Fed. 415, 421 (Ninth C. C. A.)

The difference in proof in the case at bar from the Sherman-Clay & Co. case involves the following essentials:

(1) The purely speculative character of this suit.

(2) Testimony conclusively proving that the so-called "problem" of the patentee Nielsen was not solved in any such way specified by him or that any such advantages inured to his horn as he claimed to the Patent Office and as specified in his patent.

(3) Prior publications not previously in evidence and completely negativing invention by Nielsen.

(4) Conclusive testimony to the effect that the popularity of the Nielsen or Flower Horn was due

to other causes than that of merit of the device, and whatever success it met with was due to greater business efforts and advertising.

(5) A full and complete record of the prior Villy patent and its subsequent Reissue and of plaintiff's practices under this patent.

(6) Proof that the Nielsen Patent if valid at all is limited to a butt seam with outstanding flanges.

II. THE PRESENT RECORD.

Under date of March 11, 1913, John H. Miller, Esq., as counsel for the Searchlight Co., sent defendant written notice of the infringement complained of (R., p. 55). As Mr. Miller was in San Francisco and the defendant in New York City, said notice was not received until several days later, about March 19, 1913 (on which latter date it was acknowledged by us,—R., p. 55).

The Bill of Complaint was filed July 24, 1913, and whatever delays may have occurred *since* then were due to mutual consent, and will not be prejudicial to either side.

When said notice of March, 1913, was given, the Sherman-Clay suit had already been tried. Judgment had been entered therein on Oct. 14, 1912 (R., p. 55). Five months later Mr. Miller gave defendant his said notice of March, 1913; and then followed correspondence between the present parties.

Meanwhile testimony was being taken, by way of depositions, in plaintiff's two equity suits referred to (against said Sherman-Clay & Co., and against said Pacific Phonograph Co.). In order to save expense to both parties in the present suit, and to avoid the unnecessary duplication of testimony, it was stipulated in the present suit that the parties might refrain from taking independent proofs *de novo,* and might avail themselves of any proofs found in the other equity suits aforesaid; and that in this suit the trial Court should enter a decree in conformity with whatever decree should be entered in the suit against said Pacific Co., reserving the right of independent appeal.

Proofs were taken and completed in the suit against said Pacific Co., and that cause was tried and argued in due course, and a decree awarded in plaintiff's favor; and a similar decree was thereupon entered in the present suit, without further trial or argument.

We now appeal from the last-named decree; and the record here brought up comprises the pleadings in this suit, certain stipulations between counsel for the parties hereto, and certain proofs selected by each side from the prior suits (consisting of affidavits, depositions, oral testimony, and exhibits.)

Finally, we remind the Court that the present defendant-appellant, the Columbia Co., is neither a

party nor a privy to any of the former litigations on the Nielsen Patent; that this is an independent suit, to be tried and decided on its own merits, under the authorities last cited.

INVALIDITY.

The pertinent matters are: the *material* of which Nielsen says his horn is composed; the *shape* of the horn disclosed by the Patent; the *construction* of the Nielsen horn (that is,—the way its separate parts are shaped and put together); and the *behavior* of the Nielsen horn,—particularly as an "acoustic" device, and as to its *acoustic properties*. These four heads comprise EVERYTHING pertinent that can be said, or conceived, concerning the Nielsen horn and Nielsen's alleged "invention."

I. The MATERIAL of Nielsen's horn—sheet-metal—was the common and ordinary material of the prior phonograph-horns. Nielsen has not contributed to the art any new material.

II. The SHAPE of Nielsen's horn—a "bell-mouthed" funnel—was the common and ordinary form of phonograph-horns in the prior art. Nielsen has not contributed to the art any new shape.

And the Record shows many a prior phonograph-horn that embodies both the shape and also the material of the Nielsen horn.

III. The CONSTRUCTION of Nielsen's horn—a "plurality" of tapering sections or "gores" of

sheet-metal, so fastened together (along their meeting edges) as to produce longitudinal "stiffening-ribs"—had previously been employed in phonograph-horns, and in *other* devices of funnel-like shape.

The two features emphasized by Nielsen (and by plaintiff) are, (1) the *sectional* structure of the horn, and (2) the uniting of the sections by connections that constitute longitudinal "ribs,"—primarily being merely incidental to the juncture of two sections of sheet-metal, secondarily serving as "stiffening-ribs," and asserted by plaintiff to serve as insulation of the wall-vibrations.

Although Nielsen shows and describes his separate gore-sections as having *curved* meeting edges, so that, when assembled, they constitute an outwardly-curving funnel, yet the *Claims* of the Nielsen Patent are broad enough to cover a cone-like or non-curving horn—a straight-tapered funnel—in the shape of a pyramid with *straight* faces, made up of flat *uncurved* gore-sections having straight-line edges.

Now the devices of the prior patents in evidence may be grouped into three pertinent classes, viz.:

1. Prior "phonograph-horns" in the form of outwardly-curving funnels, of various materials—wood, paper, sheet-metal (brass, tin). The *curving* "flare" was not new with Nielsen, neither was the choice of any particular material.

2. Other prior "phonograph-horns" in the form of ordinary or straight-tapered funnels of various

materials, made up of a *plurality* of longitudinal "gore-sections" so joined together along their straight meeting-edges as to produce longitudinal stiffening-ribs. The use of longitudinal gore-sections in a phonograph-horn was not new with Nielsen; neither was it new to connect said sections so as to produce a sectioned phonograph-horn having longitudinal stiffening-ribs; and if those ribs serve *in Nielsen* to interrupt or insulate the metallic vibrations of the separate gore-sections, then the ribs in the earlier phonograph-horns served the *same* function.

3. Also, prior *curving funnels* of sheet-metal made up of a plurality of gore-sections, each section having *curved* edges, so as to constitute (when assembled) a funnel of the outwardly-curving flare shown by Nielsen's drawings. In these last-named sheet-metal funnels, the curved sheet-metal gore-sections are united along their curved meeting edges by external connections which constitute longitudinal stiffening-ribs; and these prior-art outwardly-curving sheet-metal *funnels* can be used without change or modification as "phonograph-horns." In fact, a phonograph-horn is, after all, nothing more or less than a *funnel* fitted on a phonograph.

At this point we remind the Court that the Nielsen Patent is *not* a "design Patent." If valid, it would be infringed by any *later* funnel-like device which embodies the mechanical combination claimed by Nielsen, even if such later device should not pre-

sent to the eye the appearance of the horn shown by Nielsen's drawings; and, in like manner, the Nielsen Patent will be anticipated by any *prior* funnel-like device which embodies the mechanical construction defined by Nielsen's patent-claims, even if such prior device does not "look like" the particular "morning-glory" horn shown in Nielsen's drawings. The Nielsen Patent is a "mechanical patent," *not* a "design patent."

IV. The FUNCTION of the Nielsen horn is not new. The Nielsen horn performs the same old function, in the same old way. The *sole* function of a "phonograph-horn" is to serve as a conduit for the sound-waves, directing them inwardly for *making* a sound-record, or directing the sound-waves outwardly and amplifying them in *playing* a record already made. The Nielsen horn does this and *nothing else,*—it does not produce any new or improved *acoustic* results,—or new results of *any* sort.

It is obvious that a phonograph-horn should not be a loosely-constructed, flimsy affair which would rattle and jar and produce mechanical noises. But that is a mere mechanical job, within the reach of ordinary workmen; and in that respect Nielsen has contributed *nothing* novel.

Another obvious consideration is the *size* of the horn. Its length and the size of its outer end or "mouth" determine the *volume* of air enclosed within the horn; and, other things being equal, the longer

and larger the horn (and the greater the volume of air within the horn), the louder and fuller the reproduction from the phonograph, and the better the music will sound. Nielsen is silent on this subject, and therefore has contributed *nothing* in this respect.

Finally: Take any two horns of the same material and of substantially the same dimensions (for enclosing substantially the same volume of air); but let only one of them be made up of longitudinal gore-strips united by stiffening-ribs, in accordance with Nielsen's alleged invention, while the other horn does *not* embody the sections or the ribs (the two horns being as nearly alike as possible in material and shape and size, and in all other respects except that one is the Nielsen sectional horn with ribs, and the other is "unitary" and without ribs). Then if the same sound-record be played upon a phonograph equipped with first the one horn and then the other,—it is absolutely impossible for any listener to distinguish one horn from the other by merely *listening* to the playing of the phonograph. In short, Nielsen's alleged invention has contributed no new result of any other kind.

Nielsen's alleged achievement may be regarded in either of two aspects. Either he has taken an ordinary form of "phonograph-horn" (frequently made up of a unitary piece of sheet-metal) and modified it by making it up of a *plurality* of parts (or gore-sections); or, he has taken an old funnel, already in use for some other service, and employed

it as a "phonograph-horn." But in no aspect does Nielsen's alleged achievement amount to patentable invention.

1. A change from a *unitary structure* to a *sectional structure* (or vice versa) does not change the identity of the article. It does not amount to invention on the one hand nor does it avoid infringement on the other.

> Howard vs. Detroit Stove Works, 150 U. S., 160, 174; 37 Law. Ed., 1039, 1041.
>
> Mfg. Co. vs. Holtzer, 15 C. C. A., 63; 67 Fed. Rep. 907.
>
> Standard vs. Caster, 51 C. C. A., 109; 113 Fed. Rep., 162, 165-6.

2. For playing the phonograph, *any* funnel-shaped device will serve, provided it fits on the phonograph and is not too flimsy; and, of course, the funnel should be of large enough dimensions to contain a substantial volume of air. True, some individuals may deem certain devices better for the purpose than others, while other individuals may make just the opposite choice; but the fact should not be overlooked that a phonograph-horn is *just a funnel*, and that *any* funnel-shaped device—that of Gersdorff, for instance—can be taken as a pattern which an ordinary workman can vary in dimensions. So that, in looking around for a funnel-shaped device suitable for this purpose, all Nielsen has done is to take a Gersdorff funnel just as it stands, of a size to fit upon a phonograph.

But what Nielsen has done is mere "double use," and not patentable. Nielsen is not claiming a new "combination" but an alleged "new *horn*" per se. If Nielsen's Patent be valid, anyone building the identical device shown in that patent and then using it as a funnel to pour vinegar into a barrel, would be an infringer of the Nielsen Patent, because a patentee is entitled to every use to which his patented device can be put, whether he conceived of that use or not.

Miller vs. Eagle, 38 Law. Ed. 121; 151 U. S. 186.

Ansonia vs. Electric, 36 Law. Ed. 327, 329; 144 U. S. 11, 18.

Lovell vs. Carey, 37 Law. Ed. 307, 312; 147 U. S. 623, 637.

Roberts vs. Ryer, 23 Law. Ed. 267, 270; 91 U. S. 150, 157.

And, in like manner, during the lifetime of Gersdorff's Patents anyone who built an identical Gersdorff device and used it as a *phonograph-horn* would be an infringer of Gersdorff's patent-rights. And, further, since the Gersdorff funnel when used as a phonograph-horn would *infringe* Nielsen's Patent, and since the Nielsen horn if used as a funnel would have infringed Gersdorff's patents, therefore Gersdorff as the earlier anticipates Nielsen who is later.

Peters vs. Active, 32 Law. Ed. 738; 129 U. S. 530.

Thatcher vs. Burtis, 30 Law. Ed. 942; 121 U. S. 286, 295.

Grant vs. Walter, 37 Law. Ed. 552, 557; 148 U. S. 547, 554.

Gordon vs. Warder, 37 Law. Ed. 992; 150 U. S. 47.

Knapp vs. Morss, 37 Law. Ed. 1059; 150 U. S. 221.

Miller vs. Eagle, 38 Law. Ed. 121, 129; 151 U. S. 186, 203.

Finally, if a device be found in one art and transferred bodily to a remote and non-analogous art, nevertheless it remains the *same* device, and there is nothing patentable in its new place of use. It is only where a new "combination" is produced, or where some *change* in the device has been required to adapt it to the new use, or where some *additional feature* has to be devised to connect it up with the other elements in the new use, or where inventive *ingenuity* is involved in the transfer, that such transfer is ever regarded as patentable.

Stearns vs. Russell, 29 C. C. A. 121; 85 Fed. 218, 229-231.

Roberts vs. Ryer, 23 Law. Ed. 267, 270; 91 U. S. 150, 157.

Aron vs. Manhattan, 33 Law. Ed. 272, 275; 132 U. S. 91, 98.

Ansonia vs. Electric, 36 Law. Ed. 327, 329; 144 U. S. 11, 18.

Lovell vs. Carey, 37 Law. Ed. 307, 312; 147 U. S. 623, 637.

Knapp vs. Morss, 37 Law. Ed. 1059, 1062; 150 U. S. 221, 227-8.

Mast, Foos vs. Stover, 44 Law. Ed. 856; 177 U. S. 485.

Had no one, before Nielsen, ever used on a phonograph *any* sound-amplifying conduit or horn, then there might be invention in taking an ordinary funnel (used for *other* purposes) and *for the first time* amplifying the music of a phonograph. But horns were always used with phonographs, and Nielsen merely selected one specific kind of horn in place of the innumerable phonograph-horns already in use; Nielsen produced no new combination of phonograph plus horn.

"EXTENT OF USE," "COMMERCIAL SUCCESS" UNSAFE CRITERION OF INVENTION.

The fact of extensive use or great commercial success does not convert a case of "double use" into a patentable invention. There must be some degree of "ingenuity" in *transferring* the device from the old art, and some degree of novelty and ingenuity in *adapting* the old device to the new service, and —above all—the question of patentable novelty must be otherwise IN DOUBT, and fairly balanced, and all other tests of patentability found insufficient to determine the question, before evidence of commer-

cial success can be accepted for any purpose. And, even then, evidence of commercial success is merely presumptive evidence of greater *utility,* and "is not conclusive of that; much less of its patentable novelty." The Supreme Court has called it "an unsafe criterion." And where [as here] commercial success can be reasonably attributed to some *other* cause, such as the attractive *appearance* of the flower horns, and extensive advertising, proof of extensive sales constitutes little or no evidence of even the utility of the alleged *invention.*

Hollister vs. Benedict, 28 Law. Ed. 901, 905; 113 U. S. 59, 72.

McClain vs. Ortmayer, 35 Law. Ed. 800, 803-4; 141 U. S. 419, 427-9; Syllabus 8 and 9.

Lovell vs. Carey, 37 Law. Ed. 307, 311; 147 U. S. 623, 635; Syllabus 4.

Grant vs. Walker, 37 Law. Ed. 552, 557; 148 U. S. 547, 556.

Duer vs. Corbin, 37 Law. Ed. 707, 710; 149 U. S. 216, 224.

Olin vs. Timken, 39 Law. Ed. 100, 105; 155 U. S. 141, 155.

Amer. Sales Book Co. vs. Bullivant, 117 F. R., 255—9th C. C. A.

Klein vs. Seattle, 77 F. R., 200—9th C. C. A.

ASSIGNMENTS OF ERROR.

The various Assignments of Error amount in substance to the assertion that the Nielsen Patent is invalid in view of the prior art; that, if valid, it must be so strictly construed as not to cover defendant's horns; and that plaintiff's inactivity continued so long as to bar any relief in a Court of Equity, and certainly to preclude accounting (even if the injunction be affirmed).

The formal assignments are as follows:

1. That the District Court of the United States for the Northern District of California erred in holding that the claims of plaintiff's patent, or any of them, and especially Claims 2 and 3 sued on, were, or either of them, valid.

2. That the District Court of the United States for the Northern District of California erred in holding that the claims of plaintiff's patent, and especially the claims sued on, were not each and all anticipated by the prior art.

3. That the District Court of the United States for the Northern District of California erred in holding that the claims of the plaintiff's patent sued on, or any of them, represented a patentable invention.

4. That the District Court of the United States for the Northern District of California erred in

finding that more than mere mechanical skill was exhibited by Nielsen in view of the prior art.

5. That the District Court of the United States for the Northern District of California erred in not finding that on the evidence the Nielsen Patent was without patentable utility and novelty.

6. That the District Court of the United States for the Northern District of California erred in finding any utility in a horn constructed in full accordance with all of the disclosures of the Nielsen Patent which was not found equally well and to the same extent in horns of the prior art.

7. That the District Court of the United States for the Northern District of California erred in finding that there was no prior publication of the features embodied in the claims of the Nielsen Patent, such as would invalidate it.

8. That the District Court of the United States for the Northern District of California erred in not holding that the design of the Nielsen patented horn was without utility.

9. That the District Court of the United States for the Northern District of California erred in determining and deciding that the patentee of the patent in suit was the first and original, or any inventor or discoverer of the said alleged invention as described and claimed in the said patent and the specifications annexed thereto.

10. That the District Court of the United States for the Northern District of California erred in holding that Claim 2 of the Nielsen Patent in suit was infringed by the defendant.

11. That the District Court of the United States for the Northern District of California erred in holding that Claim 3 of the Nielsen Patent in suit was infringed by the defendant.

12. That the District Court of the United States for the Northern District of California erred in holding that the defendant infringed any of the claims of the Nielsen Patent in suit.

13. That the District Court of the United States for the Northern District of California erred in construing the claims of the Nielsen Patent so broadly as to include any horns used or sold by the defendant.

14. That the District Court of the United States for the Northern District of California erred in enjoining the defendant.

15. That the District Court of the United States for the Northern District of California erred in granting an injunction against the defendant, on the ground that the plaintiff was not entitled to such relief because of laches, as set forth in defendant's answer.

16. That the District Court of the United States for the Northern District of California erred in

ordering an accounting by the defendant on the ground that the plaintiff was not entitled to such relief because of laches, as set forth in the defendant's answer.

17. That the District Court of the United States for the Northern District of California erred in ordering an accounting by the defendant on the ground that the plaintiff failed to show that its horns made under the Nielsen Patent were marked "Patented" as required by law.

18. That the District Court of the United States for the Northern District of California erred in ordering an accounting by the defendant on the ground that the plaintiff has failed to show that it notified the defendant of its alleged infringement of the Nielsen Patent in suit.

19. That the District Court of the United States for the Northern District of California erred in not finding and holding that on the evidence the Nielsen Patent was void as containing less than the whole truth relative to the alleged invention or discovery or more than was necessary to produce the desired result, in that the so-called results of the Nielsen Patent were not and are not obtainable by the method or methods or construction therein shown, or described, or claimed.

20. That the District Court of the United States for the Northern District of California erred in not holding that the so-called extensive or general use

of the Nielsen patented horn was due to extensive advertising or greater business efforts in bringing the horns to the attention of the public rather than to any particular merit of the device.

21. That the District Court of the United States for the Northern District of California erred in finding in favor of the plaintiff and against the defendant on the ground that the evidence was insufficient to support the findings of the Court.

22. That the District Court of the United States for the Northern District of California erred in sustaining the bill of complaint.

23. That the District Court of the United States for the Northern District of California erred in not dismissing the complaint as prayed for by the defendant.

BRIEF OF ARGUMENT FOR DEFENDANT-APPELLANT.

Before entering upon our argument, we shall first formulate and establish the fundamental facts, viz.: what a "phonograph-horn" is, and how it operates; what the unquestioned prior art discloses; and what Nielsen discloses,—what advances, if any, he has contributed to the art. We shall then demonstrate that, on the one hand, he has merely modified prior phonograph-horns in a well-known manner, but without obtaining any new or improved results; and that, on the other hand, he has merely made "double use" of prior devices without any modification. And we shall conclude by showing, under the controlling decisions, that in no aspect was Nielsen entitled to a patent.

WHAT IS A PHONOGRAPH-HORN?

Primarily, a phonograph-horn is used in "recording,"—that is, in making a sound-record on the phonograph. In such service the singer sings into the larger end of the horn; and the horn is a mere *funnel*, serving as an *inert* "conduit" for receiving the sound-waves (coming from the mouth of the singer or from the instruments of a band or orchestra) and letting them pass into the smaller opening in front of the diaphragm of the recording-device,—in other words, functioning like any other ordinary funnel. The aim, in recording, is to cause

the recording-stylus—a small cutting-chisel—to vibrate *precisely* in accordance with the music or articulate speech sought to be recorded. Therefore, the sound-transmitting conduit,—the "funnel" or "horn" used in recording—should not impart to the *desired* original sound-waves any sound-waves of its own. The recording-horn should be absolutely *inert*,—a *mere* funnel or conduit and nothing else. *Any* funnel-shaped device will serve for the purpose, when properly fitted upon the phonograph. Of course it must not be too flimsy, else it would produce a jarring or rattling noise and would be liable to set up vibrations of its own.

All this was well understood long prior to Nielsen. He contributed nothing novel in this respect. Some record-makers prefer the funnel or horn to taper at one angle, and some prefer another taper; some prefer one length of recording-horn, and some another length; some prefer one material, and some another material. It is all a mere matter of selection or choice; and, as stated, it was well known that *any* tapering or funnel-shaped device could be used for the purpose.

Next, the phonograph-horn is used on the phonograph in "reproducing,"—that is, in playing a record already made. In this service also, the horn is a "conduit," an *inert* conduit, for transmitting to the listeners the sound-waves created by the vibrations of the diaphragm. And, as in recording, it was well known that, in reproducing (or playing)

the record, *any* flaring or funnel-shaped device could be fitted on the phonograph and employed as a horn.

Mr. Emmons, a professional record-maker, after sixteen years work in the Edison laboratory was asked in cross-examination by plaintiff's counsel (page 393):

> "XQ30. If a horn is a good one for *recording,* would it necessarily follow that that same horn would be good for *reproducing* when connected to a phonograph? A. Yes, sir" (emphasis ours).

And Mr. Walter H. Miller, after *twenty-five* years experience in the Edison laboratory, in answer to cross-question 210 by plaintiff's counsel (page 371) stated that:

> "Every reproducing-horn can be used as a recording horn. But usually in *reproducing* a large horn is preferable. If too large a horn is used for *recording* it will, under certain conditions, utter more sound than the recorder can take care of, that is to say, the recorder will be too sensitive" (emphasis ours).

When used for reproducing, the phonograph-horn acts precisely like an ordinary speaking-trumpet or megaphone,—

> "as a vehicle [conduit] for amplifying or making more audible the sounds that are transmitted through it from the diaphragm of the phonograph," *in contradistinction* to the behavior of "a musical horn, such as a cornet, trombone, or like instrument," where the musical notes "are created in and by the vibrations

of the horn" (plaintiff's expert Vale, on pp. 828-9).

The Court should appreciate and bear in mind the distinction between the *volume of air* contained within the conduit or horn, and the "horn" itself (the tangible material constituting the wall or enclosure which confines said volume of air).

The Court should likewise bear in mind the distinction between the *air* itself (a concrete and ponderable substance, comprising a mixture of oxygen and nitrogen) and the "sound-waves" occurring in the air. A body of air can change its location, moving about from place to place,—a gust of wind, an air-blast, etc. But "sound-waves" are merely a manifestation of *motion*,—the to-and-fro *vibrations* of particles of air, which particles vibrate to-and-fro within a definite limit. Sound-waves consist of a series of alternating compressions and rarefactions of the air, analogous to the ripples that may be observed on dropping a stone into a pool of water. On the pool of water, however, the ripples occur upon the *surface* of the pool, practically a horizontal plane; whereas sound-waves are propagated uniformly in *every direction*, and have been likened by a great physicist to the layers of an onion,—a succession of spherical layers of condensation, alternating with similar spherical layers of rarefaction of the air. And, in a *recording* horn or funnel, the sound-waves behave in a manner somewhat analogous to the tides in the Bay of Fundy,—piling up, as it were, to produce a more appreciable effect upon

the recording-diaphragm at the inner end of the funnel. Hence also, as just quoted from Walter H. Miller, in *recording,* the funnel should not be *too* long, else we would get too strong a set of vibrations upon the diaphragm. But, in *reproducing,* the longer the better, within limits; because we thereby give a louder and better reproduction.

To resume the discussion: when used for "recording," the funnel or horn is a mere inert conduit; and in "reproducing" it is likewise a mere inert conduit, whose sole functions are to confine the volume of air and to amplify and transmit the sound-waves. For amplifying purposes, the dimensions of the confined body of air—and that means, of course, the dimensions of the horn which confines the air—determine the amplifying power. Other things being equal, the greater the volume of air, and particularly the greater the *length* of this confined body of air,—that is, the greater the length of the horn [again analogous to the Bay of Fundy]—the greater the amplifying power of the horn or megaphone, and the louder the sounds emitted.

Further, loudness depends primarily upon the *volume of air* displaced; and by providing the outwardly-curving "bell-mouth" at the end of the horn or megaphone, a greater volume of air is set in consonant vibration before the sound-waves begin to be diffused beyond the mouth of the horn [Ganot's Physics, 18th Ed., Sec. 242].

It is clear that the particular kind of *material* of which the funnel or horn is composed has absolutely

nothing to do with its amplifying power, any more than the particular kind of material of which the shores of the Bay of Fundy are composed has anything to do with the high tides there prevalent. Moreover, various different kinds of material were in use for phonograph-horns, such as wood, tough paper, metal (particularly brass), and specifically sheet-metal (tin).

Finally, the particular *shape* of a phonograph-horn (as distinguished from its size) has very little effect upon its sound-transmitting and sound-amplifying properties. Only two considerations are essential for a reproducing-horn: First, that, as in making the record, the reproducing-horn or funnel must not be flimsy or "rattly," and (in theory, at least), should not create wall-vibrations of its own; and, Second, that the conduit should be tapered or funnel-shaped,—otherwise, on the one hand, we would approximate a straight "organ-pipe" device, with a definite and pronounced frequency of vibration, which would respond over-loudly for certain notes of the music, and would not respond to or amplify other notes; and, on the other hand, too wide a flare would not give the "Bay of Fundy effect" of amplifying the sound-waves.

But all that was well-known, and used practically, long before Nielsen.

To sum up: It was well known, long before Nielsen, that *in recording* the phonograph horn is a mere inert "conduit," a *mere* "funnel"; that the

recording-horn can be used for "reproducing"; and that, *in reproducing,* the tangible horn itself should likewise be a mere inert conduit, a mere funnel, serving merely as a megaphone or speaking-trumpet to confine a volume of air and amplify the sound-waves received from the diaphragm. It was also well known that *any* flaring or funnel-shaped device could be employed in recording, and also that *every* such flaring or funnel-shaped device could likewise be employed in *reproducing,*—and, of course, that in either case such conduit must not be flimsy or "rattly" or liable to set up wall-vibrations of its own.

In conclusion, then, a reproducing-horn for a phonograph is nothing more nor less than a FUNNEL,—an *inert* funnel-shaped conduit; and, like any other megaphone or speaking-trumpet, its sole function is the *static* one of enclosing a body of air and amplifying the sound-waves. *Any* funnel that fits a phonograph will perform the function of a phonograph-horn.

THE NIELSEN PATENT.

(See cut and comparison at the back of this brief.)

As a matter of law, this Court has already ascertained (214 Fed. Rep. 86) what this document discloses and what it claims. Briefly, it discloses and claims a phonograph-horn having only *two* limita-

tions, viz.: (1) it must have *longitudinal strips* or "gore-sections," and (2) at their lines of juncture must be *external* longitudinal "ribs" or seams.

The specification says the sections are of *sheet-metal;* but that was a mere choice of the usual material, and not a patentable distinction, and Claim 3 does not specify *any* material. The specification also says the horn is a "bell-shaped" affair, —that is an outwardly-curving funnel; but the Claims make no mention of this longitudinal curve, Claim 3 saying the horn is "tapered in the *usual* manner" (which might be either a *straight* cone or pyramid, or an *outwardly-curving* one), and Claim 2 saying the strips or gore-sections are "tapered from one end of the horn to the other" (which might be either a straight-edged strip or one with curved edges). The word "tapering" means merely diverging or converging—non-parallelism; it does not imply *curvature,*—if anything, just the opposite, as "a *tapering* mast," "the rat has a tapering tail." Further, Nielsen shows and describes what is known as "butt-flange" junctures, which *probably* are to be soldered together; and Claim 2 calls for "outwardly-directed flanges" for forming the connections and the "ribs"; but Claim 3 merely says the strips are "secured together" at their edges, and this Court and the Court below have held that *any* form of connection or seam will satisfy the Patent. Hence, as stated, the patented Nielsen horn has only the two limitations. The entire invention consists of only these two features, viz:

(1) The longitudinal gore-sections,

(2) The external ribs or seams along the junctures of the sections.

If Nielsen were merely proposing to utilize scrap-material, by piecing together,—or if he were merely undertaking to produce a curving horn of pleasing bell-shape,—clearly there would be nothing novel or patentable in his horn, both because that method of forming and uniting articles of that shape was old and well-known, and also because of the well-established rule that it is not invention to construct *sectionally* what has previously been constructed *integral*. *Howard* vs. *Detroit,* 150 U. S. 160, *Mfg. Co.* vs. *Holzer,* 67 Fed. 907.

But Nielsen's avowed object is *acoustic:* to "do away with" the usual and undesirable "mechanical, vibratory, and metallic sound," and to produce only the desirable sounds coming from the phonograph. And he asserts that these complementary effects are accomplished as the result of the sectional structure, the curvature longitudinal ribs, and ("in the usual manner"), but that—

> "it is the longitudinal ribs b^2 which contribute mostly to the successful operation of the horn, said *ribs* serving to do away with the vibratory character of horns of this class as usually made and doing away with the metallic sound produced in the operation thereof."

In other words, the seams or "ribs" *stiffen* the horn and tend to prevent *wall*-vibrations of the

metal (as distinguished from the vibrations of the air-particles confined within the horn).

In short, Nielsen has merely a *sectional* horn, suitably braced and stiffened to keep it from being too flimsy and tin-panny!

If, on the other hand, Nielsen be correct in asserting that his sectional and longitudinally-ribbed horn does give the improved acoustic results aforesaid,—then the prior devices of similar construction, which we shall set forth later on, must of necessity behave in the same way and give the same results, and his patent is void for lack of novelty. And, on the other hand, if Nielsen's assertions are *untrue*, then his patent is void on *that* ground.

Where a patentee relies for validity upon the assertion of a new function or effect, the patent can be sustained only upon proof of the existence of the alleged function, that it was not only novel but also unexpected a priori.

> "Whatever difference there may be [between the patented device and the prior art] might be expected from the difference in material. The new use required by the patentee of the interlocking joint produces no novel or unexpected results. The testimony wholly fails to show a new function, within the rules stated by this Court in *General Electric Co.* v. *Yost Electric Mfg. Co.*, 139 Fed. 568; 71 C. C. A. 552:
>
> > 'But it is thought that the assertion of a new function or effect should only be sustained upon proof of novel or unexpected

properties or uses capable of producing novel results.'" *New York Belting & Packing Co.* v. *Sierer,* 158 Fed. 819, 822-3 (Second C. C. A.).

"The patentee's theory is that he will secure the needed elasticity by making the metal thinner close to the tapered portion, and for this purpose he provides the annular groove referred to. But whether he does in fact secure the elasticity he seeks is so much in doubt that we cannot regard it as proved. He did not testify himself, and the only evidence to support the theory was offered in rebuttal, and is so unsatisfactory that we cannot rely upon it safely. * * * We have no evidence therefore concerning the fact of the increased elasticity, and (theory for theory) we have a positive expert opinion that the groove will produce no such result as the patentee hoped. * * * On the ground, therefore, that the utility of the patent is not apparent, and that upon all the evidence we cannot avoid the conclusion that the groove in question serves no useful purpose, we are obliged to hold that the claims in suit are void.

"The decree dismissing the bill is therefore affirmed."

Schmidt vs. *Central Foundry Co.,* 229 Fed. 157, 159 (Third C. C. A.).

We are unable to find in the record (nor have we any knowledge of) a single bit of competent legal proof that Nielsen's horn gives *any* acoustic improvement; and on the other hand, the record contains overwhelming affirmative proof to the contrary. Messrs. Hawthorne (R., p. 496), Walter H.

Miller (p. 320), Emmons (p. 389), Kaiser (p. 438), after almost a generation of actual and practical experience as phonograph-experts, and Mr. Rudolph M. Hunter, the celebrated talking-machine expert, and as the result of careful and accurate scientific comparison, are *unanimous* in testifying that the playing of the phonograph when using the *Nielsen* horn sounds no whit better in any respect than when using *other* horns,—in fact that the Nielsen horn is not quite so good as some prior horns.

On the opposite side we find the testimony of Mr. Locke (plaintiff's President), of Mr. Baldwin Vale (a young man in the office of plaintiff's counsel), and Mr. Merritt and Mr. Pettit (formerly salesmen in the phonograph-business).

Mr. LOCKE admits that the Nielsen horn is *not* any better than the Villy horn (the Searchlight *folding*-horn), in fact that it was *not* so good as another horn, known as the "Parabolic Horn." Mr. Locke, in answer to XQ. 110 (p. 186), says:

> "I *never could* see any material difference in the reproduction with the *folding* horn or with the regular *flower* horn" (emphasis ours);

and in answer to XQ. 108 says:

> "We always claimed that it [the Parabolic Horn] was a better horn, but the trade did not respond; they preferred the flower horn."

Mr. MERRITT gives *hearsay testimony,* speculating as to matters of opinion which he says existed ten years previously (R., 125-126):

"It [the Nielsen Horn] was found to give a rounder, fuller tone and eliminate a great deal of the metallic tone or vibration of the horn. * * * that it was *generally recognized* that the flower horn because of its shape and construction gave a rounder and fuller tone and eliminated those undesirable vibrations that caused the confused sounds and blasts particularly in connection with certain notes or certain quality of tones that cause sympathetic response from the old metallic horn. It was found, as I have already said, that by dividing the horn up into sections that were fastened together by ribs and by giving it the flower shape these undesirable vibrations were eliminated."

Again (at R. 135):

"* * * by cutting the horn up into a number of sections that were joined together with ribs so that these sections would break up and prevent the counter vibrations that occurred in the seamless glass horns and the seamless brass or other horns."

Now compare the foregoing with the following from the Nielsen Patent:

"The object (of the Nielsen patent) is to provide a horn * * * which will do away with the *mechanical vibratory and metallic* sound usually produced in the operation of such machines and also produce a *full, even and continuous volume of sound* in *which* the articulation *is clear, full and distinct.* * * * And it *is the longitudinal ribs* b^2 *which* contribute *mostly to the successful operation* of the horn, *said ribs serving to do away with the vibratory character of the horns* of this class as

usually made, and *do away with the metallic sound* produced in the operation thereof."

That Merritt's opinion as to the vocalistic advantages of the Nielsen Horn was not "general" is shown by the testimony of the various expert horn manufacturers called on behalf of the defendant.

Mr. PETTIT, a young man who prior to 1906 had been a salesman of phonograph supplies, gives his "expert" opinion (R. 163-4):

> "A. The flower horn proved decidedly superior as shown by the fact that it very quickly replaced the old horn and drove them out of the market. The flower horn gave much better tone reproduction than the B. & G. horn or the all-brass horn. With both of these horns that had been previously used metallic vibration frequently interfered with the clearness and purity of the reproduction, particularly with certain kinds of voices and instruments. These counter vibrations of the all-brass horn and of the B. & G. horn was recognized as undesirable and as difficulties that we tried to get over, but these were not done away with until the flower horn came in. The shape of the flower horn gave a rounder and fuller tone than the previous horns. The sectional construction of the flower horn broke up and did away with the objectionable counter-vibration and allowed the records to be produced with clearness and without interference. This was such an advance over the prior horns that the flower horn was at once recognized as much better and as soon as they came on the market no one wanted any other kind of a horn."

Compare this with the portion of the patent above quoted and we will see that neither of these gentle-

men are *testifying* in the strict sense of the word, but are paraphrasing when not actually reading from the patent. (It will be observed that these depositions of plaintiff were all given *ex parte.*)

In the foregoing quotations of plaintiff's testimony we have irrefutable instances of "coaching" and on a matter going to the very merits of the controversy.

> "Precise correspondence in memory of several witnesses of the details of transactions of a remote date strongly suggests a recent and common source from which their testimony has been inspired, rather than the difficult recovery of the facts by memory from the long distant past. Fanning v. Doan, 139 Mo. 392, 414, 41 S. W. Rep. 742. See also Graham v. State, 92 Ala. 55, 9 So. Rep. 530; Rusk v. Steamboat Freestone, 2 Bond (U. S.) 234, 21 Fed. Case No. 12, 143 (at p. 20)."

Attempted corroboration has often been said to *destroy,* by exhibiting the "ear-marks of a manufactured story."

> Alexander vs. Blackman, 26 App. Cas. D. C. 541-548.

The above-quoted testimony of Pettit and Merritt is the ONLY testimony on behalf of the plaintiff-appellee, aside from the unsatisfactory and *incompetent* testimony of Mr. Vale, that bears on the subject of the alleged accoustical advantages of the Nielsen Horn; but inasmuch as this "corroborating [?] testimony" is based solely on their repeti-

tion of the assertion in the Nielsen patent itself, and *adds* no competent FACT-testimony to what the Patent states, we are therefore thrown back on the Patent. On the other hand, against the truthfulness of the statements of the Patent we have on behalf of the defendant the sound and convincing testimony of Hunter, Miller, Kaiser and Hawthorne; men experienced in this art.

In addition to this, we have the *prior* Villy folding patented horn concerning which Mr. Locke, the President of plaintiff, says, X.Q. 110:

> "I never could see any material difference in the reproduction with a *folding horn* or with a regular *flower* horn."

[A "folding horn" was the Villy knock down metal horn; the "regular flower horn" was the Nielsen horn; both patents being owned then and now by Mr. Locke's company.]

Patents are granted for solving problems, not for stating them:

> Columbia Motor Car Co. vs. Duerer, 184 Fed. 893, C. C. A.
>
> (Selden Automobile Patent).

Concerning Nielsen's "theory" and his claim to "the prevention of metallic resonance or tintinnabulation," we have apparently a case for the direct application of the rule as stated in

> United States vs. Post, 128 Fed. 950-953:

> "There are well-settled and accepted natural laws, a recognition of which is justified by the long experience of men, the knowledge of every-day life, as well as by the studies and experiments of ages. Of these we may take cognizance—the laws of gravitation, cohesion, of optics, the phenomena of electricity, etc. *But when one contends that he has made new discoveries in science or art, opposed to the general experience of man for ages, and directly in conflict with the generally accepted rules,* and seeks *to gain money or secure profit thereby,* the burden of the proof of the truth of such discovery is upon the party making the claim, and the truth of such contention must be satisfactorily proved before it can be accepted."

As against the authority of Mr. Rudolph M. Hunter, who shows his familiarity and long expert experience with the talking machine art, we have only the weak, negative testimony (inspired testimony, at that,) of Mr. Baldwin Vale, a young man in the employ of plaintiff's counsel. This Court's attention is directed to the objections of record against questions addressed to Mr. Vale by his employer; and we urge the Court to sustain those objections and to disregard said testimony. Of what possible weight can such testimony as the following, by a so-called "Expert" be:

> Page 823: "Mr. Miller. Q. Mr. Hunter also says in his deposition that Nielsen contributed nothing of value to the art by his patent, which is in suit here. What have you to say on that subject as to whether or not Nielsen contributed anything to the art?
>
> "A. [By Mr. Vale.] That is merely Mr. Hunter's opinion with which I differ entirely,

and my opinion is backed up by the adoption by the trade of the Nielsen type of horn in preference to any other of then existing horns."

And, again, what right has a witness—not a phonograph-expert, either— to attempt as below, to expert the Claims of a patent?

Page 824: "Q. I also find in the patent the expression 'Outwardly directed flanges' as applied to the flanges connecting the metal sections together and forming ribs on the outside. State what is meant by the expression 'outwardly directed flanges'?

"Mr. Acker. I will ask counsel to state in the record wherein the language referred to in the last question appears in the patent.

"Mr. Miller. It appears in claim two of the patent.

"Mr. Acker. The question is objected to as incompetent, irrelevant and immaterial, and as calling for the witness to construe the expressions of the claims of the patent, which is the sole province of the Court and not of the witness; and I will add the further objection that it is objected to on the ground as being leading.

"A. The strips that form the horn have flanges bent up at their edges. The expression means that these flanges extend outwardly with reference to the interior of the horn and are on the outside or exterior of the finished horn."

And again imagine having a non-expert on musical instruments and musical sounds attempt to answer the following question:

P. 828: "Mr. Miller. Q. What distinction is there between musical instruments of the horn type and a reproducing horn for a talking machine. In other words, what is the primary object of the *musical horn?*

"Mr. Acker. The same objection as to the previous question.

"Mr. Miller. Q. What is the primary object of the musical horn and the primary object of the reproducing horn?"

And by what legal authority is the following question and answer justified? (R. 829-830):

P. 829-30: "Q. Can you refer to any official authority as sustaining you in any of the facts which you have given in regard to the mechanical construction of the horn shown in the Nielsen patent and the terms of the art therein shown or referred to, and if so please state what it is?

"A. The first official confirmation of my views that occurs to mind is the charge of Judge Van Fleet to the jury in the case of Searchlight Horn Company vs. Sherman, Clay & Company, which sets forth the matter in better form and in as few words as seems possible, and I should like to quote that charge in answering the question.

"Mr. Acker. I move to strike the answer from the record as not being responsive to the question.

"Mr. Miller. Q. Please refer to the transcript of record in that case and read from it into the present record the portion of the charge which you desire."

And thereupon this "Expert" proceeds to quote law from a record in another case. In short, the

expert Vale was merely voicing the sentiments of his employer, who was questioning him, and for the time being filling the role of "ancillary counselor."

Mr. VALE'S contribution to the "evidence" is summed up—(the bottom of page 827)—by his bald statement, that "it is sufficiently evident to a layman, or any one except a deaf man, that the Nielsen horn is superior acoustically in every particular to the B. & G. type of horn," followed by ill-founded and erroneous *theorizing*. As against the unanimous fact-testimony of a number of practical experts, this should have no weight.

For example, Mr. Vale says that in a *unitary* horn the wide unbroken sheet of metal has a wide amplitude of objectionable vibration, whereas Nielsen's comparatively-narrow sections have a comparatively-narrow amplitude of objectionable vibration; and that the wider the amplitude of such vibration, the greater the objectionable sounds, hence the *unitary* horn produces a *louder* metallic wall-vibration than the sectional Nielsen horn.

On the contrary: there is available only a definite amount of power—the power of the comparatively-feeble sound-waves—to vibrate the metal walls; if that power be sufficient to overcome the greater inertia of the *wide* and unbroken sheet composing the unitary horn, that same amount of power will more readily vibrate the *plurality* of smaller sheets composing the Nielsen horn. In the unitary horn the

sheet is curved around into conical form, and the *curvature* braces and stiffens it (on the arch principle of an egg-shell, which cannot be crushed lengthwise between the hands); whereas the separate sections of the Nielsen horn are comparatively *flat,* and can more readily be buckled in and out, like a tightly-stretched diaphragm or drum-head. Therefore, the same feeble power that would vibrate the *wide* sheet of the unitary horn, will far more easily vibrate each of the plurality of Nielsen sections, and the aggregate of the volumes of air displaced by the plurality of smaller sheets will not be less than that displaced by the single large sheet, —of course assuming that the two horns have substantially the same area of metal.

More than that, physiologically, "loudness" depends not only on the actual physical force of the air-vibrations, but also on the pitch; the higher the pitch or "frequency" of vibration (the *shriller* the sound), the more piercing its effect upon the human ear, and the "louder" it will sound. Now the smaller sheets composing Nielsen's sections have *higher* vibrating-frequencies, and therefore give *shriller* and more noticeable sounds, than the larger sheet composing the unitary horn. It is the law of the pendulum, the violin-string, the diaphragm, the vibrating-plate; the longer the pendulum or the string, or the greater the area of the diaphragm or the plate, then the harder to overcome its inertia, and the more sluggish its movements of vibration.

In theory, then, there is no support for Mr. Vale's and Nielsen's contentions. The truth is that with two horns of the same dimensions, and other things being equal, better results will be given by the *stiffer* horn; yet, even then, unless one horn be utterly flimsy and worthless the difference is so trifling as to be practically nil. We ask the members of the Court, after the hearing is over, to try for themselves: let two of them sit with backs to the phonograph, while the third plays the machine, using first a unitary horn and then a Nielsen horn (or vice versa), and see whether the listeners can determine which is which.

So much for theory and fact. But Mr. Vale (and plaintiff) lay stress on the extensive sales of the Flower Horns. They did, at one time, have extensive sales; but they never supplanted the older and better types. They appealed solely by reason of their *looks;* they were sold only for the *cheaper* styles of machines (the brass horns and the wooden horns were always preferred by those of higher musical tastes); and after the first few years the Flower Horns were themselves almost entirely supplanted by the wooden horns employed in the present-day "concealed-horn" or "cabineted-machines," —the Victrolas and Grafonolas and Amberolas. For many years now, the Flower Horns have been supplied only to the Latin-American or similar local trade with garish tastes for whatever presents bright, glaring color.

Plaintiff itself and its predecessor in title, the United States Horn Co. (and the two were identical in interest, Locke, Q. 29, RDQ. 119; Krabbe, Qs. 61-2) held simultaneously the Nielsen "Flower Horn" patent and a certain "Searchlight Horn" patent; and *they* deemed the latter horn *superior* to the former Flower Horn; and *they* preferred to manufacture and feature the "Searchlight Horn" to the neglect and practical exclusion of the "Flower Horn." In spite of the alleged interference by the large talking-machine companies, plaintiff was able to sell 35,000 to 50,000 "Searchlight Horns," and after only some three or four thousand "Flower Horns" had been made, they were *discontinued,*— while plaintiff continued to push its superior and *more successful* "Searchlight Horn." See Locke, Qs. 22 (on p. 146, 29 (p. 149), 45-55 (p. 169-170); XQs. 89-90, 93-4 (p. 178), 118 (p. 187), 156 (p. 170); RDQ. 127 (p. 189).)

Be all that as it may, however, proof of great commercial success has been held a "most *unsafe* criterion of utility" and not even conclusive of that, and *never* a criterion of patentable invention. Such proof is admissible only where all other tests have been exhausted and the question of patentable novelty still remains in doubt. (*Hollister* vs. *Benedict,* 113 U. S.; *McClain* vs. *Ortmayer,* 141 U. S., as *supra*). In the case at bar there *can* be no doubt; the Nielsen patent is clearly invalidated by the prior art, if not otherwise. We will now proceed to consider the prior art.

PRIOR ART: MATERIAL, SHAPES, CONSTRUCTION.

And, first, as to the MATERIAL of prior phonograph-horns. It is fundamental that the substitution of one material for another is not patentable invention.

Hotchkiss vs. Greenwood, 11 Howard, 248, 266; 13 Law. Ed., 683, 690.

Hicks vs. Kelsey, 18 Wallace, 670; 21 Law. Ed., 852.

Terhune vs. Phillips, 99 U. S., 592, 593; 25 Law. Ed., 293, 294.

Brown vs. District of Columbia, 130 U. S., 87, 99; 32 Law. Ed., 863, 868.

Florsheim vs. Schilling, 137 U. S., 64, 76; 34 Law. Ed., 574, 579.

Hoff vs. Iron Clad Mfg. Co., 139 U. S., 326, 329; 35 Law. Ed., 179, 180.

Ryan vs. Hard, 145 U. S., 241, 245; 36 Law. Ed., 691, 692.

Various different materials had been employed for phonograph-horns long prior to Nielsen. Among others, metal, wood, paper, card-board, celluloid, and even glass. Of the metals, brass *had* been employed, and also aluminum, but especially *tin*, preeminently a "sheet-metal," the material named by Nielsen. (See plaintiff's witness Merritt, Q. 59, on page 133.)

Sheet-metal, especially tin, appears to have been the most usual material for the purpose; and every patent must be read and interpreted in the light of the state of knowledge existing at the date the patent issued. Therefore, as a rule of law, in considering the specific disclosures of each prior phonograph-horn patent, where no material is specified, then the *usual* material—tin or other sheet-metal—is to be understood; and, even where the prior patentee expressly names some *other* material as his preference, yet,—in view of the common use of sheet-metal for the purpose—the Court must nevertheless read into such prior patent that the horn there disclosed may likewise be made of the usual sheet-metal commonly employed for other phonograph-horns. That is, the disclosure of a given horn of one specified material, is in law a disclosure of that horn made in *any* or every different material employed for horns.

There is interleaved at this point two photographic reproductions of pages from the "Metal Workers Pattern Book," illustrating the solution of the problem of the fabrication of horns with tapered metal sections long before Nielsen's time.

The aptness of the Metal Workers' Pattern Book as a guide to the skilled mechanic in the manufacture of metal horns in general, is further illustrated in connection with Sections 443, 449, 450 and 454, and other sections in said Book relating to the construction of conical, pyramidal and other shapes of Horns.

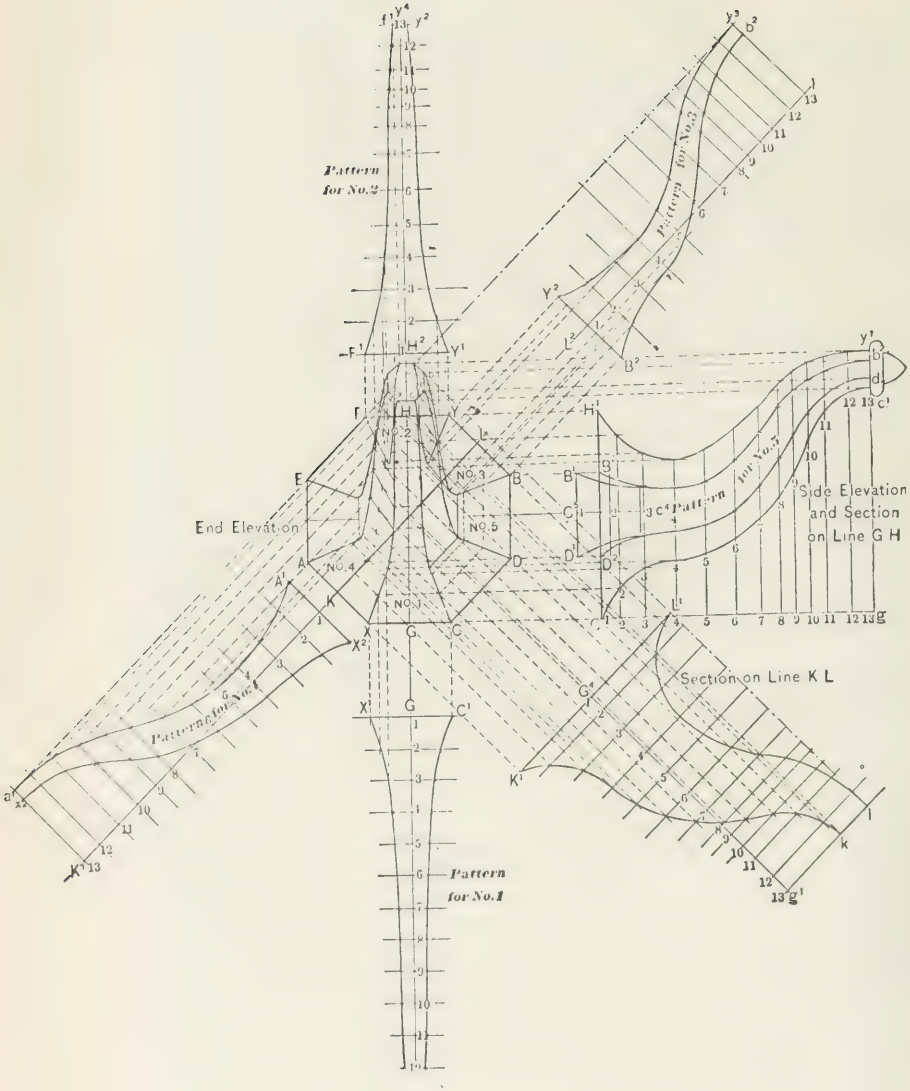


Fig. 512—The Patterns for a Cornucopia in Eight Pieces.

Having thus constructed the several views of the article required for the patterns, proceed as follows: The side J U T Z may be pricked directly from the drawing. The pattern for the upper side, shown by K G in the elevation, may be obtained as follows: Upon any straight line, as K G in Fig. 517, lay off the stretchout of K G of Fig. 516, as indicated. Through the points K and G draw the perpendicular *d k* and D W, making *d k* equal in length to *d k* of Fig. 516, and D W equal in length to D W of the same figure. Connect the points *d* D and *k* W, thus completing the pattern. The pattern for the lower side, shown by L H in elevation, is to be obtained in the same general manner, all as shown in Fig. 518. The pattern for the side Z T H L may be described as follows: Let the line *a u* of the plan view in Fig. 516 be considered the plane in which this face lies. From O, which is the center of the inner arc of this piece, drop a line at right angles to L P, continuing it until it strikes the line of its plane *a u*, as shown by O *o*. Thence carry it at right angles to the line *a u* indefinitely in the direction of R. Continue the line *b a*, which is the profile of this strip, until it intersects the line *o* R in the point R. Then R *a* will be the radius of the arc which will form the inner side of the pattern. In Fig. 519, from R as center, with R *a* as radius, describe the arc *a* H, which in length make equal to the stretchout L H, Fig. 516, all as shown by the small figures. To obtain the line of the outer arc of this piece, from the point O in Fig. 516 draw a line to the point T, cutting the arc L H, as shown in the point 8. In transferring the stretchout this point 8 must be correctly located, as shown by 8 in the arc *a* H, Fig. 519. From the center R, by which the arc *a* H was struck, draw a straight line through the point 8 indefinitely. Take the distance B' A in Fig. 516, which is the profile of the wide end of the required piece, as radius, and from H, Fig. 519, as center, describe an arc cutting R B in the point B. Draw H B, which will be the wide end of the pattern. From R, the center by which the inner arc of the pattern was struck, draw a straight line cutting the point *a*, producing it indefinitely in both directions. From *a* set off the distance *a b*, equal to *a b* of Fig. 516, which will be the width of the narrow end of the pattern. The only remaining step necessary is to discover a radius, and a center in the line *b* R produced, by which an arc may be struck which will connect the points *b* and B. This, by experiment, will be found to be R'. For the pattern of the piece K G U J of Fig. 516 the operation to be performed is very similar to that just described. From the point *k* in the side view draw a straight line to the point *t*, which consider the plane in which the outer arc of this piece lies. From the point P draw a line at right angles to K P, which produce until it intersects *k t* produced in the point *p*. Thence at right angles to *k p* draw the line *p* S indefinitely. Produce *k e*, which is the profile of the required piece at the narrow end, until it intersects the line last drawn in the point S. Then S *k* will be the radius of the arc which will form the outer line of the pattern. Transfer the line *k e* S to Fig.

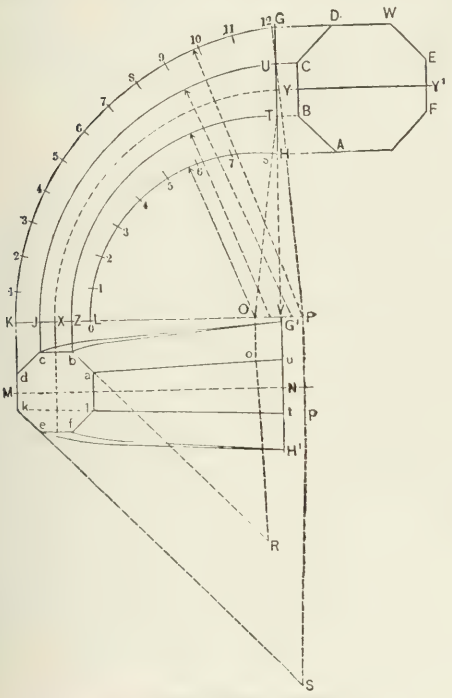


Fig. 516.—Elevation, Plan and Section.
A Curved Tapering Horn, Octagonal in Section.

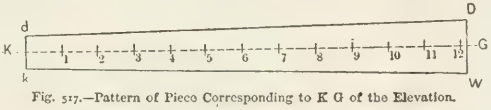


Fig. 517.—Pattern of Piece Corresponding to K G of the Elevation.
A Curved Tapering Horn, Octagonal in Section.

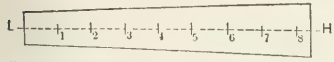


Fig. 518.—Pattern for Piece Corresponding to L H of the Elevation.
A Curved Tapering Horn, Octagonal in Section.



"Skilled in the art."

It is not to the "ordinary mechanic," but to the skilled mechanical—"any person skilled in the art" —that the patent description is addressed.

Revised Statutes, 4888.

"The phrase 'skillful mechanic,' as used in this connection, does not include mechanics who are skillful only in methods of servile imitation. *It refers only to mechanics who know how to vary form without varying substance, and who, in constructing a machine or manufacture, from a printed description, or from patent office drawings, could readily, and would freely, alter proportions and change details in order to adapt the contrivance to a particular use, or in order to secure greater merit of workmanship for the thing constructed.*"

Walker on Patents, 4th Ed. 57.

"It is to those persons, skilled in the art to which the invention appertains, that the description of it in the specification is addressed."

2 Robinson on Patents, 488;

Hollister vs. Mfg. Co., 113 U. S. 59, 73.

SHAPE.

The prior phonograph-horns were *all* funnel-shaped affairs. Some have been conical (circular in cross-section), and others pyramidal (polygonal in cross-section); and the angle of taper or flare has varied within considerable range.

Again, some prior phonograph-horns (either conical or pyramidal) have tapered in one continuous straight line; in others the smaller or body-portion tapered at a comparatively-acute angle to the axis, while the larger or outer end flared at a more oblique angle to produce the so-called "bell-mouth"; while in still other phonograph-horns the bell-mouth was produced by a gradual outward-curving of the taper,—as in the well-known cornets, bugles, and other musical horns.

We shall now enumerate eight prior patents that disclose bell-mouthed "phonograph-horns" of sheet-metal (several of them disclosing straight-tapered horns also, and several disclosing horns made up of a plurality of longitudinally-arranged gore-sections); and we shall also enumerate prior patents disclosing other bell-mouthed devices of substantially the same shape. The patents are:

1. The CONN Patent No. 624,301 of 1889. Cuts of this patent are shown in 182 Federal Reporter, on page 822-3. The material of the Conn phonograph-horn is not stated; but it is *apparently* unitary, and manifestly metal; and, under the rule of law above referred to, Conn is to be read as disclosing a bell-mouthed phonograph-horn composed of the usual material employed for that purpose, viz: *sheet-metal*. The Court of Appeals found in said Conn patent of *1889* little or no novelty; 105 C. C. A. 254; 182 Fed. 822.

(No Model.) 4 Sheets—Sheet 3.

E. BERLINER.

GRAMOPHONE.

No. 534,543. Patented Feb. 19, 1895.

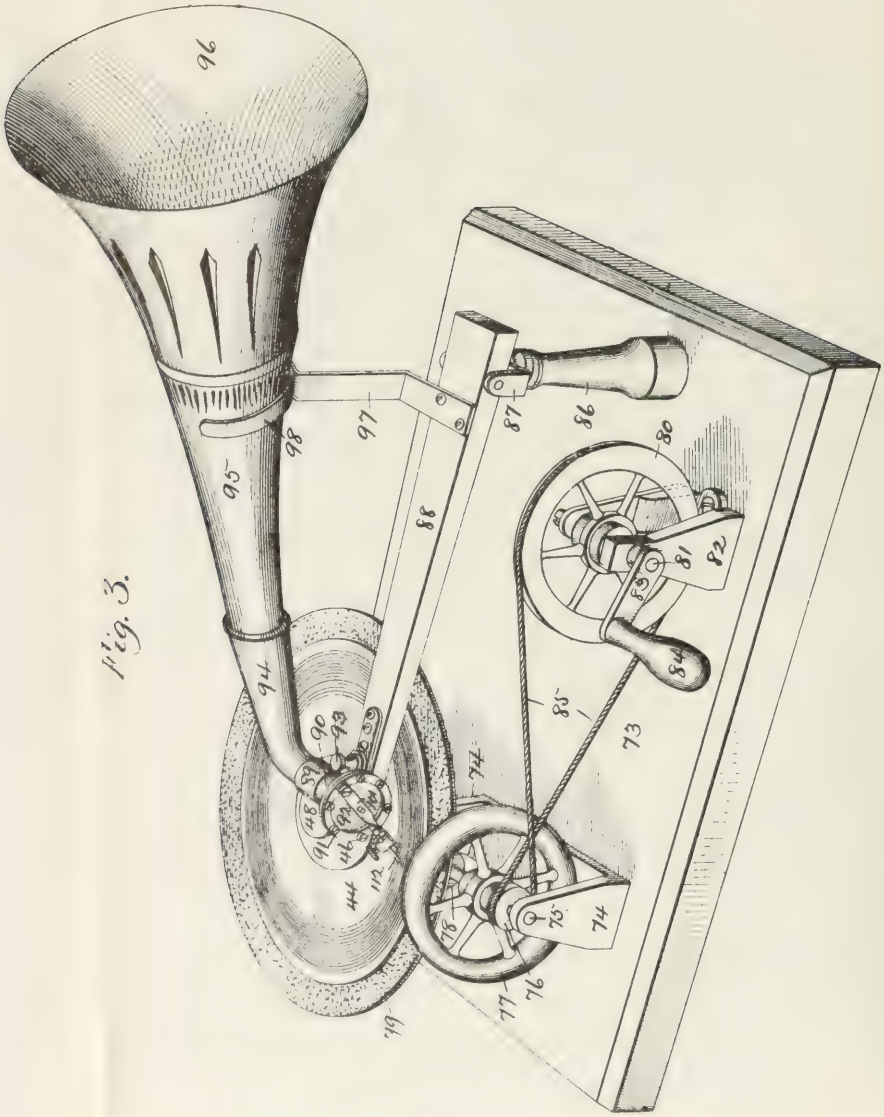


Fig. 3.

2. The BERLINER Patent No. 534,543, of 1895. The material of the phonograph-horn 95, of Berliner's Fig. 3, (see opp. page) is not stated; but, judging from parole testimony in this case, it was possibly some composition like hard-rubber. However, under the rule of law, Berliner is to be read as disclosing a bell-mouthed phonograph-horn composed of any suitable material commonly used for that purpose, viz: sheet-metal.

3. Figs. 1 and 2 of the MYERS Patent No. 647,-147 of 1900. (See opp. page.) The material of the bell-mouthed phonograph-horn of Myers' Figs. 1 and 2 (as distinguished from the straight-tapered horn of the other figures) is not stated; but said bell-mouthed horn is apparently integral, and manifestly of metal; whereas the other Myers figures show a sectional, *foldable,* non-curving horn, preferably of card-board (named as an alternative for the *metallic* horn). And, in any event, Myers also is to be read as disclosing a bell-mouthed phonograph-horn of the usual material employed for phonograph-horns, viz: sheet-metal.

4. Fig. 14 of the French patent to TURPIN, No. 318,742, published Oct. 25, 1902. Turpin says this Fig. shows a bell-mouthed phonograph-horn; and, like the horns of Turpin's other figures, it is stated to be made of wood,—either an integral horn hollowed out of a solid block of wood, or a laminated horn composed of integral sheets of veneering-wood nested together, or a sectional horn built-up of

a plurality of longitudinally-arranged and tapering gore-sections secured together along their edges. Although Turpin names *wood* as preferable over tin and other metals, nevertheless he expressly states that *metal* may be used for some of the gore-sections. All the more, then, must Turpin be read as disclosing a bell-mouthed phonograph-horn composed of longitudinally-arranged gore-sections of any usual phonograph-horn material,—*e. g.*, sheet-metal. (Turpin's pertinent figures are reproduced on the opposite page and will be referred to again.)

5. The RUNGE Patent No. 692,363 of 1902. Although Runge says his horn is "preferably non-metallic," yet in the same sentence he says it "may be made of *any* suitable material" (emphasis ours); and, as before, Runge must be read as disclosing a bell-mouthed phonograph-horn composed of any suitable phonograph-horn material,—*e. g.*, sheet-metal.

6. The MARTEN Patent No. 738,342, granted Sept. 8, 1903, on application filed Apr. 7, 1902. Marten shows a phonograph-horn, manifestly of metal [and apparently the "B. & G." horn referred to in Hawthorne's deposition herein]. And, as before, Marten must be read as disclosing a bell-mouth phonograph-horn composed of any suitable or ordinarily-used phonograph-horn material, viz: sheet-metal.

7. The VILLY *original* patent No. 739,854, applied for Dec. 8, 1902, and granted Sept. 29, 1903.

No. 738,342. PATENTED SEPT. 8, 1903.

A. S. MARTEN.

INTERCHANGEABLE SOUND AMPLIFYING MEANS FOR TALKING OR SOUND REPRODUCING MACHINES.

APPLICATION FILED APR. 7, 1902.

NO MODEL.

Fig. 1.

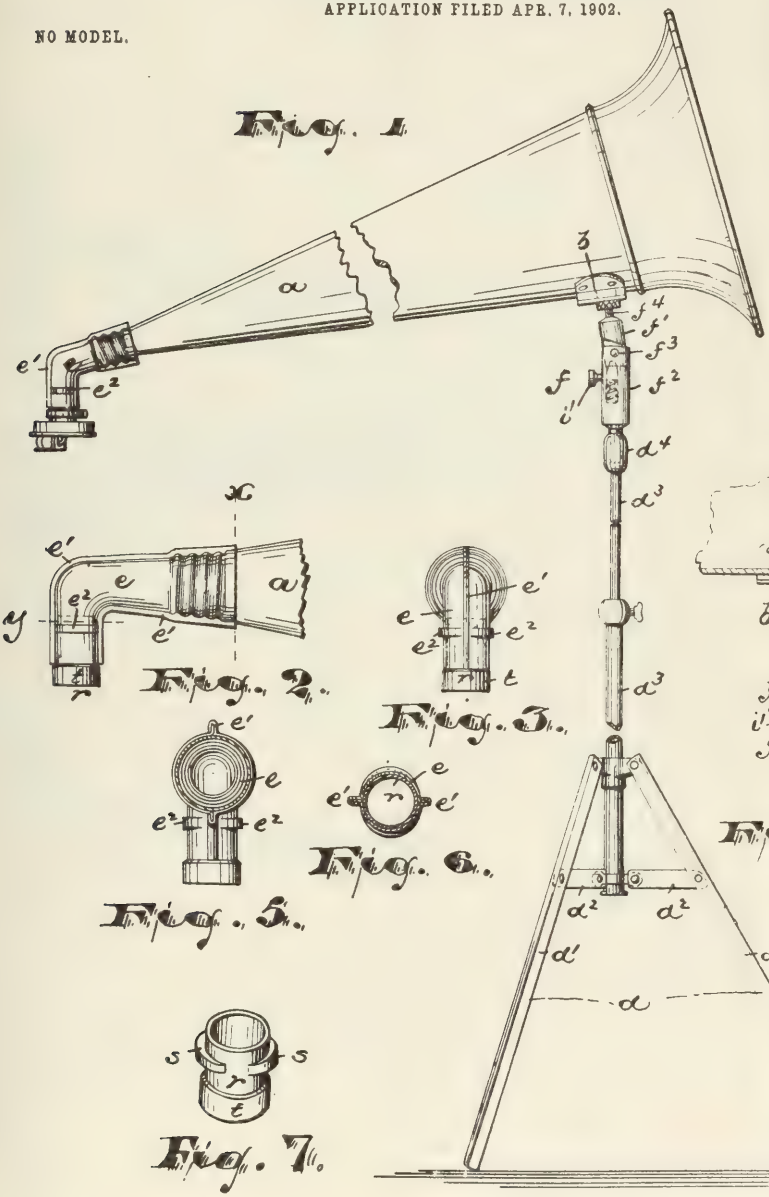


Fig. 2.

Fig. 3.

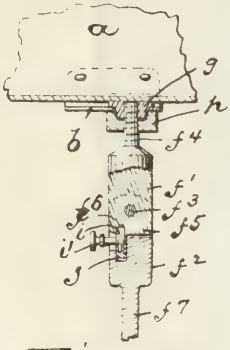


Fig. 4.

Fig. 5.

Fig. 6.

Fig. 7.

No. 759,639. PATENTED MAY 10, 1904.

H. SHEBLE.

HORN FOR TALKING MACHINES.

APPLICATION FILED JULY 21, 1903.

NO MODEL.

Fig. 1.

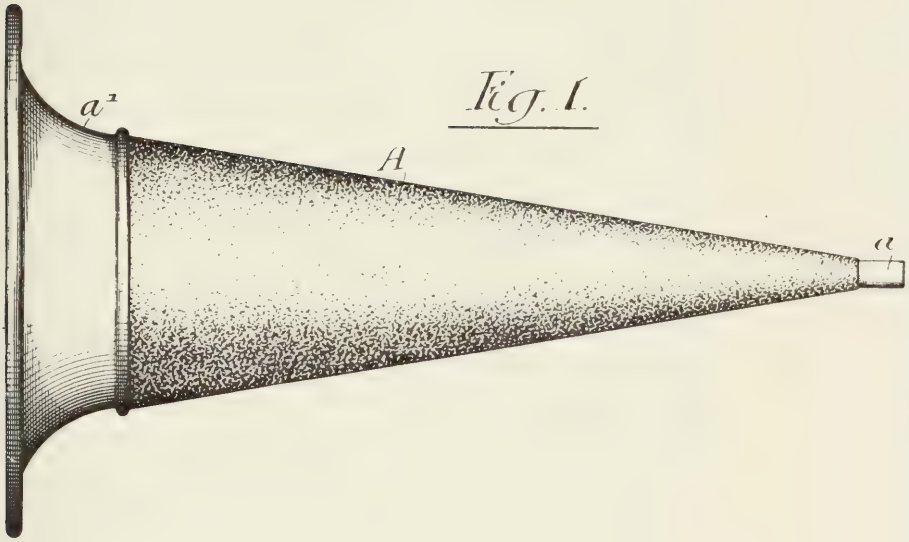
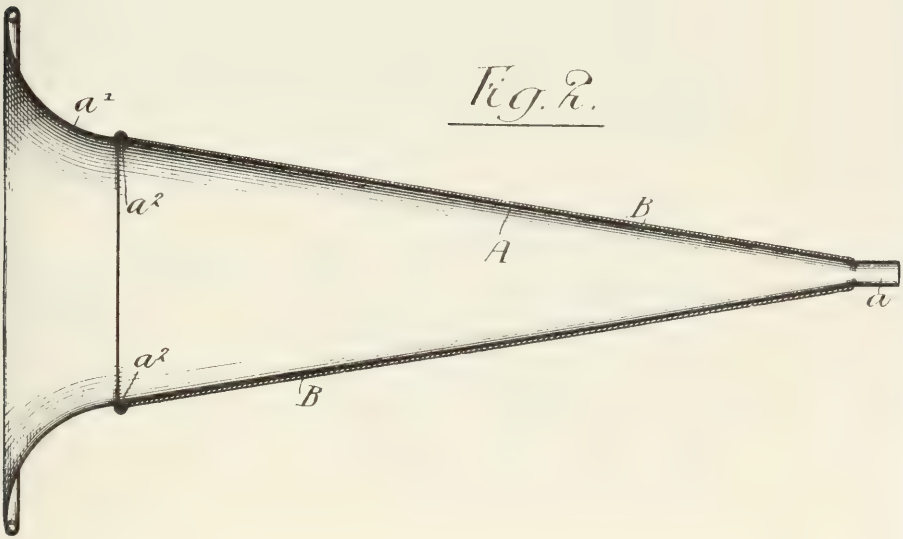


Fig. 2.



See illustrations and comparison at the back of this brief. [This Villy patent was subsequently reissued by *plaintiff,* with broadened Claims; and we shall show below that that fact has a material legal effect upon the Nielsen Patent in suit.] Said Villy original patent discloses a *foldable* or "collapsible" phonograph-horn, composed of sections; and Villy says these sections may be made of paper, wood, linen, "or other preferable *flexible* material" [emphasis ours; but the later Berner Patent No. 926,-235, taken out *by plaintiff* as an avowed "improvement" upon *Villy* (and Nielsen), specifies "flexible *sheet-metal*"]. The *flexibility* is what is essential to the Villy [and the Berner] invention, in order to permit the collapsible outwardly-curving horn (with the *curving* longitudinal hinges) to be "sprung" into opened or closed position. Sheet-metal is certainly *flexible;* and all the more, then, is Villy to be read as disclosing a bell-mouthed phonograph-horn composed of longitudinally-arranged gore-sections having curved edges and composed of *any* "flexible" material commonly employed for phonograph-horns,—*e. g.,* sheet-metal.

8. The SHEBLE Patent No. 759,639, (see opp. page), applied for July 21, 1903, and granted May 10, 1904,—only twenty-six days after Nielsen's application was filed. Sheble discloses a bell-mouthed phonograph-horn, and explicitly says it is made of sheet-metal, coated with textile fabric [and is apparently the "B. & G." horn of Hawthorne & Sheble].

9. The CAIRNS Design-patent No. 10,235, granted in 1877 for a "Speaking-Trumpet,"—in other words a *megaphone,* the same as a phonograph-horn. This patent being for the *design,* the material of the speaking-trumpet or horn is not stated; but, from the thinness of the wall, as shown in the cross-sectional views, it is manifestly composed of sheet-metal. And, as with the other patents, this Cairns design-patent is to be read as disclosing an outwardly-flaring or bell-mouthed trumpet or horn composed of *any suitable* material of which horns are usually made,—*e. g.,* sheet-metal.

10. The GERSDORFF Patent No. 453,798, granted in 1891 for a "Funnel." This article is manifestly of sheet-metal. The drawings show clearly, and Gersdorff states explicitly, that it is composed of "three or more" longitudinally-arranged gore-sections having curved edges and united along their curved meeting-edges by interlocked seams which manifestly produce longitudinal "ribs."

Although the Gersdorff discloses a "funnel," yet it could be used without modification as a *phonograph-horn;* and during the lifetime of the Gersdorff patent, if anyone constructed the Gersdorff device for use as a "phonograph-horn," it would be an *infringement,* under the well-established rule that "the patentee is entitled to every use to which his patented device can be put"; and, upon the expiration of the Gersdorff patent, the *public* has the

right to use the Gersdorff device either as a funnel or as a phonograph-horn.

11. The second GERSDORFF Patent No. 491,-421, granted in 1893. This patent is in all respects equally as pertinent as the first-named Gersdorff patent.

In short, each of the two Gersdorff patents is to be read as disclosing to the world in 1891-3 an outwardly curving or bell-mouthed device, capable of being used *without modification* as a "phonograph-horn,"—a device composed of a plurality of longitudinally-arranged and curve-edged gore-sections of sheet-metal, and with said sections united along their meeting edges by interlocked flanges to produce an external stiffening-rib extending along the entire line of juncture.

Gersdorff having, in 1891-3, patented his device as a "funnel," he could not thereafter obtain a valid patent for the *same* device used as a "phonograph-horn" (*Miller* vs. *Eagle,* 38 Law. Ed., 121; 151 U. S., 186), and neither can Nielsen or any one else.

12. McVEETY & FORD'S "Ship's Ventilator," —the Design-patent No. 34,907, of 1901,—and the mechanical patent No. 699,928, of 1902. (See illustrations at the back of this brief.) These two patents are relied on principally as showing a prior mechanical *construction* available to Nielsen [and actually used in defendant's horns] for a built-up,

outwardly-curving, funnel-shaped device, composed of longitudinally-arranged curve-edged gore-sections of sheet-metal that are united together by means of their abutting up-turned flanges.

As showing the kinship between a Ship's Ventilator and a Phonograph-horn, we beg to call the Court's attention to the cuts herein illustrating the mechanical patent to McVeety & Ford, No. 699,928 and the Senne Patent No. 811,877.

In connection with these patents to Senne and McVeety & Ford, the Court's attention is directed to the following testimony of Mr. Locke (pp. 150-151):

> "No one company was ready to act in advance of the others and the infringement was too widespread to permit of our succeeding with our negotiations. As a result we were unable to do anything in the way of litigation, except that we did bring a suit against Camillus Senne and Peter E. Peterson, doing business under the name of Nova Phonograph Horn Co. This suit was brought by the United States Horn Company in the United States Circuit Court, Southern District of New York, early in 1905. Associated with Peterson and Senne in the Nova Phonograph Horn business was Andrew Andreasen, who had formerly been employed as a salesman by Nielsen. Senne and Peterson were making the same kind of a metal horn that Nielsen and the United States Horn Company

No. 811,877. PATENTED FEB. 6, 1906.

C. A. SENNÉ.

PHONOGRAPH HORN.

APPLICATION FILED NOV. 1, 1904.

2 SHEETS—SHEET 1.

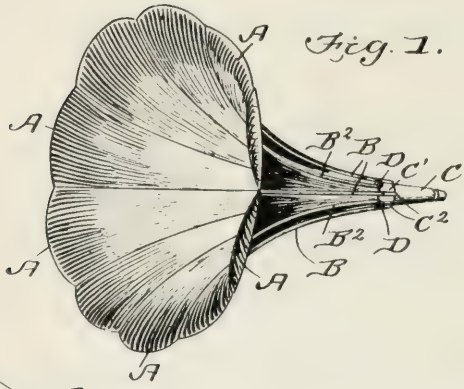


Fig. 1.

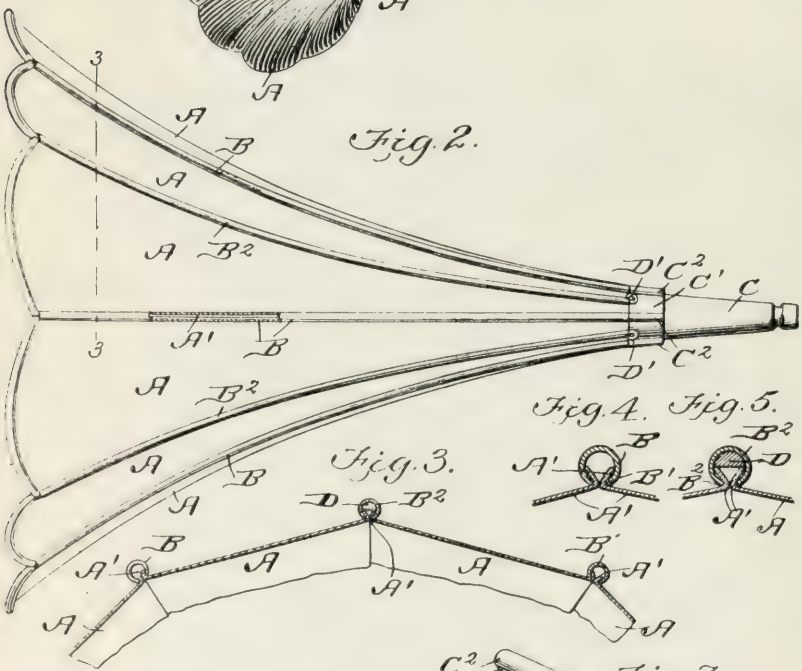


Fig. 2.

Fig. 3.

Fig. 4. Fig. 5.

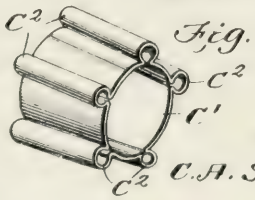


Fig. 7.

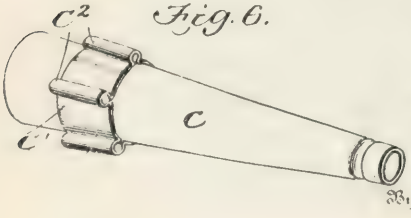


Fig. 6.

Inventor

C. A. Senné.

By

were making. *They were making this metal horn before the Nielsen patent issued and declined to stop making the same,* but after the patent had issued they allowed judgment to go against them in the suit that we brought and stopped making the metal horn. Afterwards they made a *horn of paper in accordance* with a patent granted to Senne."

(The Court's attention is invited to the Senne patent in evidence No. 811,877, filed November 1, 1904 practically contemporaneous with the issuance of Nielsen, issued February 6, 1906, and illustrated at the back of this brief, and also on the opposite page. This is a "*metal* sectional Flower Horn" of the *knock-down type* with "locking ribs" precisely like those of McVeety & Ford. This is not a "paper horn." It is probably the "metal horn" referred to by Mr. Locke immediately above, and is the one that Nielsen sued Senne on *as an infringement of the Nielsen Patent.* The Court will readily appreciate the important bearing that these facts have on the subject of anticipation.)

The Court will observe that Senne in Figs. 3-4 and 5 employs identically the same means for uniting his sectional tapered strips that McVeety & Ford employ for uniting their sectional tapered strips, and furthermore compare the description and claims of McVeety & Ford with those of Senne:

McVeety & Ford's Specification:

"AA represent the plates which are of varying width and provided at the sides with upturned portions *a*, forming grooves for the reception of the ribs B, which are in the form of split tubes, the inward-projecting portions *b* being adapted to engage the grooves of the plates A."

Senne's Specification:

"I employ a series of blades or strips A * * * each being wider at its outer end and tapering with a grooved line to its inner end * * *. The longitudinal edges of each blade are bent outwardly and inwardly to provide a flange A^1, over which is placed a tubular rib B, having slots B^1 * * * through which the flanges project and by bending the flanges * * the sections will be firmly and securely locked together."

Thus, McVeety & Ford in the language of the Phonograph art comprises:

> A Horn composed of longitudinally arranged strips of metal provided at their edges with longitudinally outwardly directed flanges, whereby said strips are connected and whereby the body portion of the Horn is provided on the outside thereof with longitudinally arranged ribs, said strips being tapered from one end of said Horn to the other.

This is Claim 2 of Nielsen; his most limited claim, and it finds its perfect fit in McVeety & Ford. McVeety & Ford's ribs *B* are "ribs" in every sense and spirit of the word. The Senne patent was offered in evidence by the plaintiff itself. Senne a former associate of plaintiff and a phonograph expert calls them "ribs" in his patent and he emphasizes this

No. 699,928. Patented May 13, 1902.

C. McVEETY & J. F. FORD.

SHIP'S VENTILATOR.

(Application filed July 10, 1901.)

(No Model.)

FIG. 1.

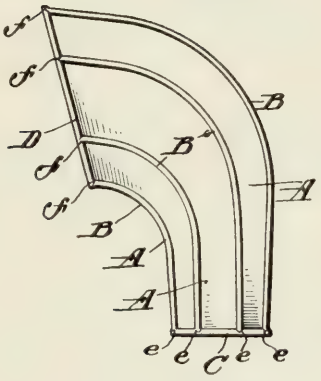


FIG. 4.

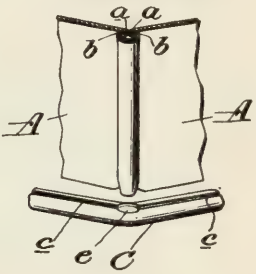


FIG. 2.

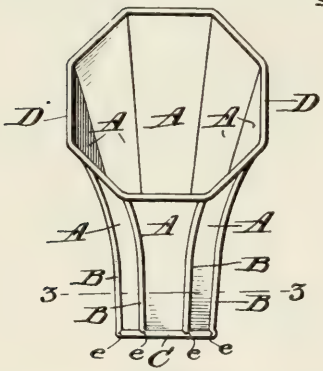
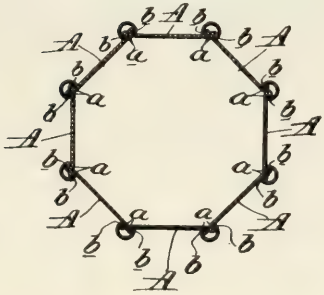


FIG. 3.



word "rib" repeatedly in and throughout his patent and claims. Senne's ribs are all on the outside of his horn; so are McVeety's; so are Nielsen's. Therefore McVeety applies to Nielsen in the same spirit and degree as the prior art applied to the patent sued on.

In Hyde vs. Minerals Separation, 214 Fed. 100, 109, decided contemporaneously with the Sherman & Clay case, your Honors said:

> *"We hold that to sustain the appellees' patent would be to give to the owners thereof a monopoly of that which others had discovered.* What they claim to be the new and useful feature of their invention, as stated by their counsel, is 'agitating the mixture to cause the oily coated mineral to form a froth.' As we have seen, that feature was clearly anticipated by the prior art, and, when *the elements of the appellees' claims are read one by one, it will be found that each step in their process is fully described in more than one of the patents of the prior art, with the single exception of the reduced quantity of oil which they use. The patentees of the appellees' patent made a valuable contribution to the art in discovering the smallest quantity of oil which would produce the desired result. In doing so, they pursued the course which all skillful metallurgists would be expected to pursue."*

"GORE SECTIONS."

We shall now enumerate four prior patents that disclose "phonograph-horns" made up of a plurality of tapered gore-sections, and four other pertin-

ent disclosures of sectional funnel-shaped devices, viz.:

1. Figs. 3 and 4 of the MYERS Patent No. 647,147, of 1900. These two Figures disclose a *foldable*-horn with a straight taper; but, on the same sheet of drawings, Myers shows, in Fig. 2, the outwardly-curving or bell-mouthed horn 18. Myers used the straight-tapered gore-sections 22, to make up his straight-tapering horn; but no invention would be required to cut the gore-strips with *curved* edges, so as to produce the outwardly-curving flare of his horn 18,—any dressmaker or tailor could show him how, had Myers failed to observe the gores and the curving line seams of his own clothing.

It is true that Myers recommends "cardboard or similar light and durable material" on the ground of cheapness and lightness in handling, and, as giving (in Myers' opinion) better acoustic results than metal. But Myers' gore-sections 22 could be readily duplicated in *any* material usually employed in making phonograph-horns, *e. g.,* tin or other sheet-metal; and it was well known how to join the meeting edges of sheet-metal,—indeed, it had long been known how to *hinge* them together, if a foldable horn was desired. Myers' avowed object in making a foldable horn, was for convenience *in shipping;* but when Myers' folding horn has once reached its destination, and been set up, it becomes a *rigid* horn. A phonograph-horn, even a

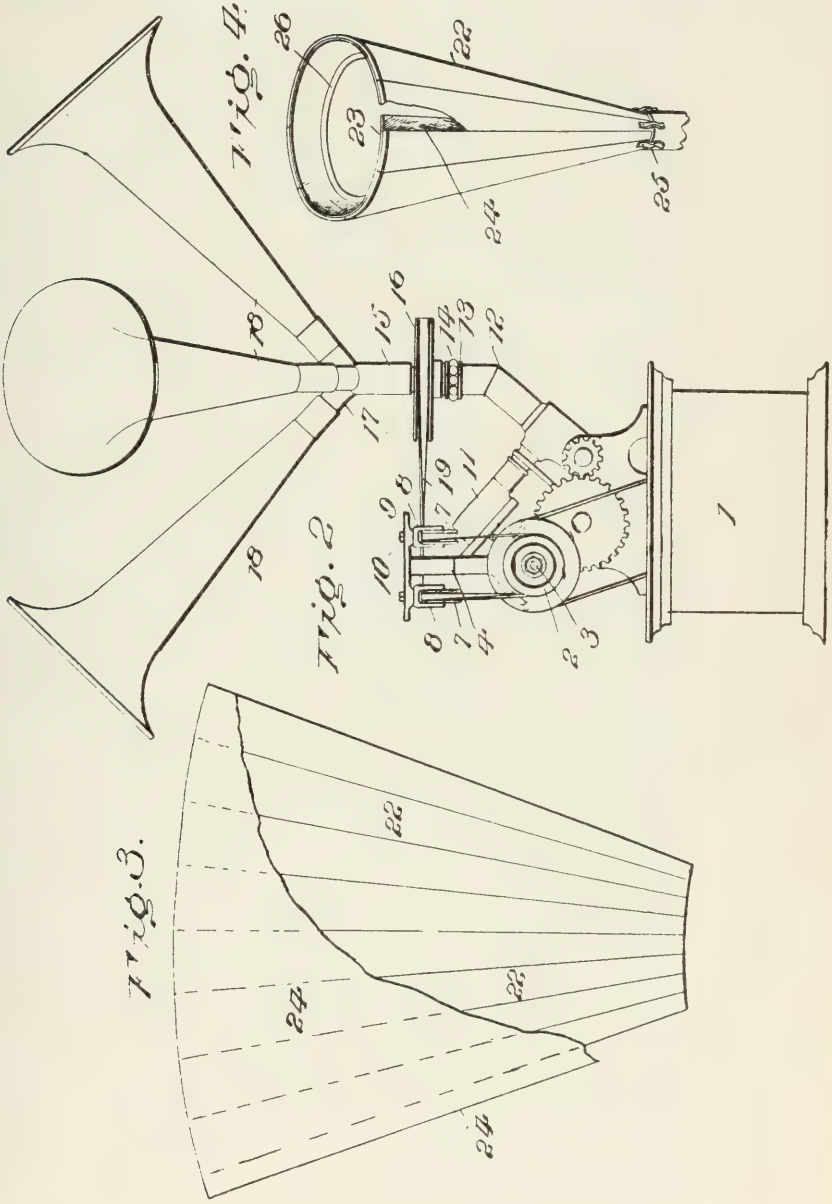
No. 647,147. Patented Apr. 10, 1900.

F. MYERS.

GRAPHOPHONE.

(Application filed Dec. 15, 1899.)

(No Model.) 2 Sheets—Sheet 2



"foldable" one, is not used like an accordion or concertina, but as a *rigid* conduit.

And, in any event, under the rule of law above cited, Myers must be read as disclosing at least a pyramidal phonograph-horn made up of a plurality of longitudinally-arranged gore-sections of *any* suitable material usually employed for phonograph-horns,—that is, "sheet-metal," and with said sections suitably hinged together (or otherwise suitably secured together) along their meeting edges.

Now, the separate sections of the sheet-metal sectional horn thus deducible from the Myers disclosures, if a *rigid* horn be desired, would be united either (1) by overlapping the edges and then soldering or riveting them together, or (2) by bending the edges up to form flanges and then securing the abutting flanges together as by soldering or riveting [as taught by McVeety and Ford, supra, and as Nielsen *probably* did?], or (3) by interlocking the edges [as taught by Gersdorff, supra, and as defendant and plaintiff itself have done]. On the other hand, in case a *foldable* horn be desired, the adjacent sheet-metal sections would be hinged together by (4) the well-known "piano-lid hinge" [subsequently employed, we say here, by way of anticipation, by plaintiff's own Berner Patent for a Phonograph-Horn, No. 926,235], in which a metal rod or wire is passed through alternating "eyes" formed along the meeting margins of the gore sections.

And every one of those four well-known methods of securing the (Myers) sheet-metal sections together, whether hingedly or rigidly, would produce a juncture entailing a thickening of material, and constituting therefore a longitudinal "rib" along the line where the gore-sections are thus secured together.

2. COCKMAN'S British Patent No. 5186, accepted Dec. 31, 1903, discloses a straight tapered sectional "phonograph-horn," made up of a plurality of tapered gore-sections. Cockman, after mentioning that his drawings show a conical horn (circular in cross-section), states that his sections can be *flat* so as to produce a pyramidal horn (polygonal in cross-section).

Cockman says that he prefers to make his horn of wood; but, as before, Cockman is to be read as disclosing a phonograph-horn of funnel-shape (either pyramidal or conical), made of tapered gore-sections of *any* suitable material ordinarily employed for phonograph-horns,—that is, of tin or any other metal,—secured together along their meeting edges by *any* suitable means appropriate to the material used.

Cockman selected wood as his own personal preference; and, since he was dealing with wood, he naturally *glued* his wooden sections together; mere paste or mucilage would not suffice to hold wood, riveting is out of place for wood, and soldering is impossible. But, to duplicate Cockman's horn in

metal, the usual material for horns, is *not* a patentable invention, and the American public had the right to do so; and whoever should undertake to use sheet-metal for that purpose would certainly not use *glue,* but would inevitably turn to some one of the well-known expedients for uniting sections of sheet-metal. There would be no invention in using the known methods for uniting known materials, and everyone would have the right to do so. And, as just shown in connection with the Myers Patent, every commonly-known expedient for uniting sections of sheet-metal would entail the longitudinal "rib" along each seam or juncture.

Therefore, in view of the then-existing art, Cockman is to be read as disclosing a tapered phonograph-horn built up of a plurality of longitudinally-arranged gore-sections composed of *any* known phonograph-horn material—*e. g.,* sheet metal—and united together along their meeting edges by *any* known method of uniting sections of sheet-metal,—*e. g.,* by any one of the methods already named, thus producing a longitudinal "rib" along each line of juncture.

TURPIN'S FRENCH PATENT No. 318742 OF 1902 FOR "PHONOGRAPH HORNS."

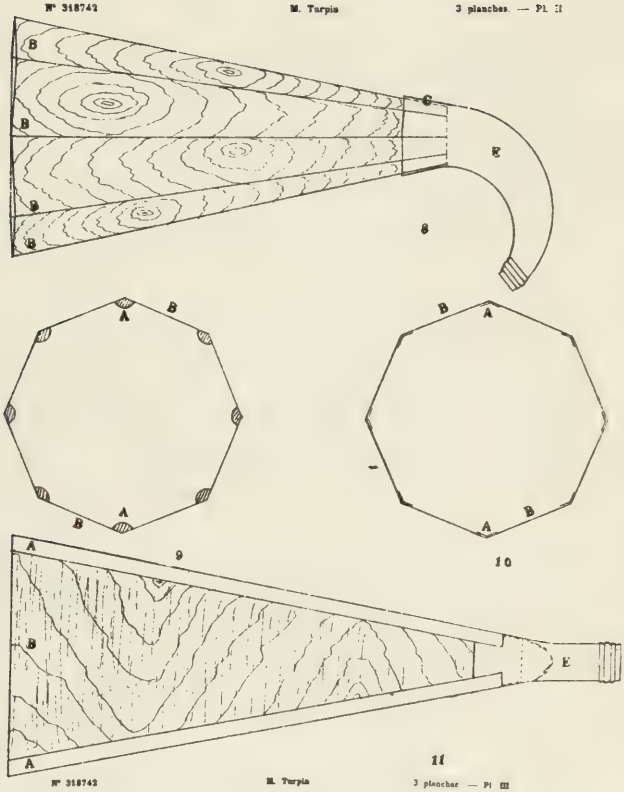
While this patent to Turpin shows a great many designs of Horn and specifies various ways in which horns may be built, and opinions may differ among experts and counsel as to the practicability of some of these horns shown by Turpin, it is to be strictly

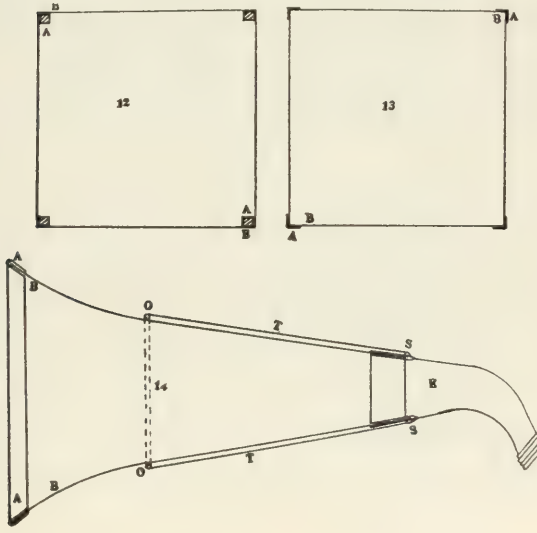
borne in mind that *this appellant is directing this Court's attention to that form of Turpin shown in his Figures* 8 *to* 13 *inclusive,* represented on the opposite page hereof, and described in the Turpin specification as follows:

> "Figure 8 represents a horn of wood, of polygonal form (*octagonal*) which is constructed of strips B, *nailed* and glued, or one or the other, upon ribs of wood A (figs. 8 and 12, end views) serving as bracers or as a skeleton. The truncated pyramid thus obtained is then glued at C in a *mouth-piece E* of any metal. One then finishes the matter in the manner which has been set forth above.
>
> "In place *of ribs of wood one can make use of metallic ribs* (*figs.* 10, 11 *and* 13) to receive and maintain the sheets or strips of wood B. These ribs may be on the interior or on the *exterior of* the horn, which may vary in form, from the circular form (cone) to that of a square, passing through all the pyramidal forms having a plurality of sides." (See illustrations at back of this brief.)

Turpin also selected *wood* as his choice. He discloses, *first,* an integral horn turned (on a lathe) from a solid block of wood,—but recommends against this; he mentions, *second,* a composite or laminated horn, built up of successive layers or hollow cones of veneering-wood; and, *third,* he passes to the sectional horns which concern us, viz.: phonograph-horns composed of tapering longitudinally-arranged gore-sections.

These latter horns, Turpin tells us, may be either polygonal or circular in cross-section, and either


B
B
B
B
C
E
8
A
B
A
B
9
B
A
A
B
10
A
B
A
E
11


B
A
12
A
B
B
A
13
B
A
A
B
O
7
S
14
E
3
O
T
A
B

straight-tapered or outwardly-curving to produce a bell-mouth. These sectional horns are unmistakably shown on sheets 2 and 3, in Figs. 8-13; and (by the aid of Turpin's text) *we learn that* the bell-mouthed horn, illustrated by his Figs. 14-16, is likewise *sectional.*

Turpin shows and describes sectional horns composed of a plurality of tapered gore-sections, B, of wood; and while Figs. 8-10 show a horn having eight sections, and Figs. 11-13 show four sections, Turpin says the horns—

> "may vary in form, from the circular form (cone) to that of a square, passing all through the pyramidal forms having a plurality of sides";

and in Figs. 14-16 he shows a bell-mouthed *cone.*

Although Turpin expresses his preference for *wood,* yet under his heading "4" he says that he may employ "one or two strips of METAL"; and he recommends, in a 12-section horn, the use of "2 strips of metal."

Certainly, then, under the rule of law already invoked, Turpin disclosed a phonograph-horn composed of longitudinally-arranged gore-sections of *sheet metal* [as a well-known equivalent for wood] united along their meeting edges,—"nor is it invention to substitute a *metal* base for a wooden one."

> Sheffield vs. D'Arcy, 194 Fed. 686, 692 (Sixth C. C. A);

Ventilation vs. D'Arcy, 229 Fed. 398, 402
(Sixth C. C. A.)

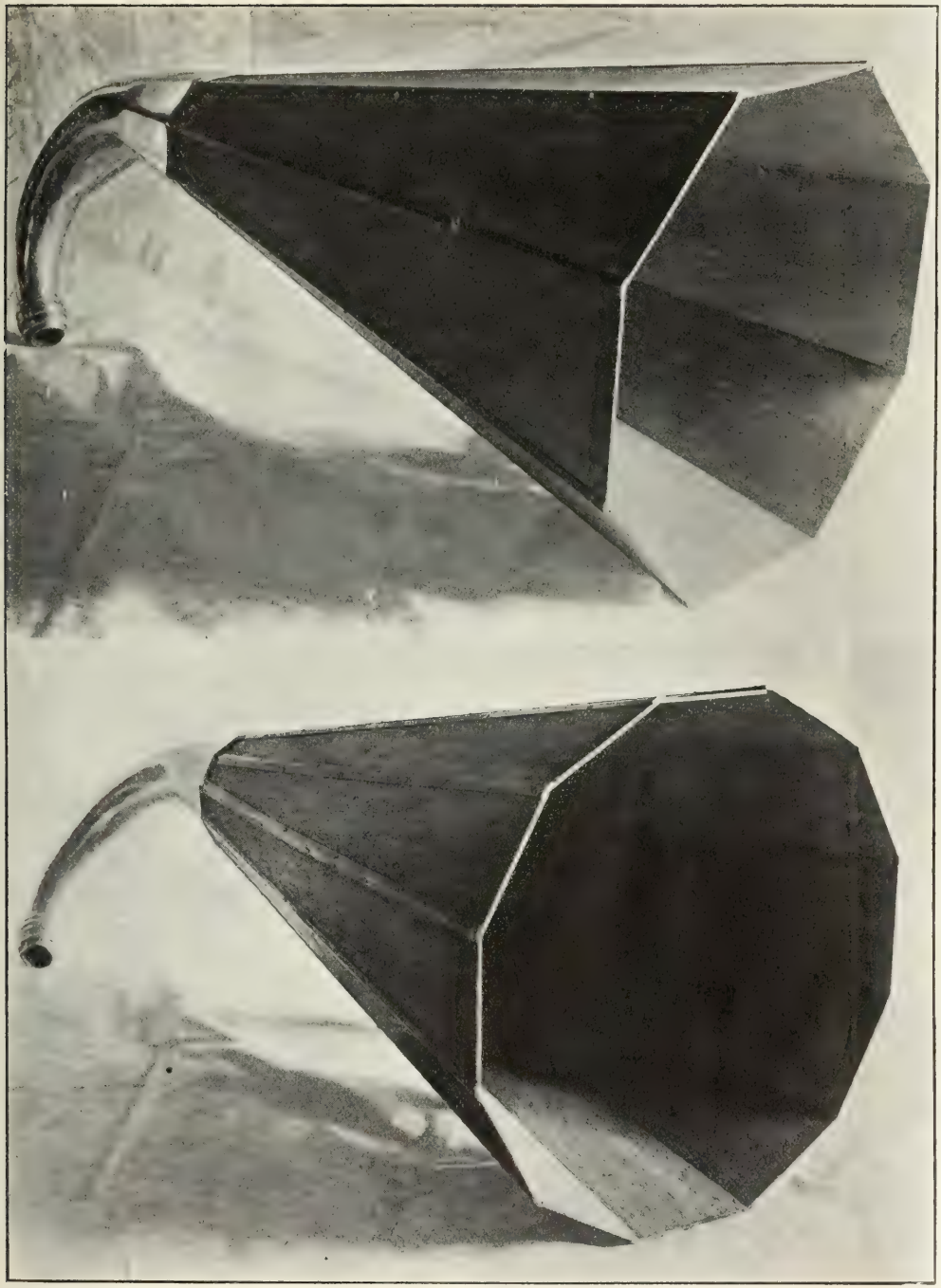
See Turpin's Figs. 11 and 13 for longitudinal *metallic* ribs located on the *exterior* of the horn and extending along the line of juncture of the meeting edges of his gore-sections.

Turpin thus explicitly shows and describes a bell-mouthed phonograph-horn composed of a plurality of longitudinally-arranged gore-sections united together along their meeting edges; under the law already invoked, the Court will read into this Turpin Patent the use of "sheet-metal" in place of wood for *all* the gore-sections, particularly as Turpin himself recommends the use of at least two metallic sections; and Turpin clearly shows and explicitly tells us the junction of his sections may be secured by *metal ribs* extending along the line of juncture.

In short, Turpin thus discloses a *sectional* "bell-mouthed" phonograph-horn,—a horn composed of longitudinally-arranged gore-sections of sheet-metal secured together at their edges by metal ribs extending along the line of juncture.

We are prepared to demonstrate at the hearing the practicability of a sectional ribbed horn built in precise accord with Fig. 8 of Turpin and his specifications. Two such horns are illustrated herein.

But as was said by the Court in E. M. Miller Co. vs. Meriden Bronze Co., 80 Fed. 523, 525:



TURPIN—Sectional Ribbed Horn according to Turpin Drawings, Figs. 8 to 13.

"I do not understand that the law necessarily imposes upon a defendant, who relies upon the prior art to limit the scope of a patent, the burden of proving that prior patents were useful, operative, or commercially successful, or that they stated all the undeveloped possibilities of the invention therein disclosed. It is not necessary that the patentee should have conceived the idea of all the uses of which his invention is capable. He is entitled to all the beneficial uses embraced within the scope of his invention. Manufacturing Co. vs. Cary, 147 U. S. 635, 13 Sup. Ct., 55 Fed. 390; Manufacturing Co. vs. Robertson, 23 C. C. A. 601, 77 Fed. 985. Nor is the mere fact that a patented device is limited in operation or application, alone sufficient to destroy its relevancy in a consideration of the prior art. The development of new industries, the discovery of new products, the adaptation of old materials to new uses, may suggest improvements upon devices of the prior art, the principles of which are already sufficiently disclosed, although not fully developed, because not demanded by the prior existing conditions. In the application of this doctrine, patents have been held void for improved stamps required by new internal revenue laws; for new adaptations of gate guards for elevated railways; new forms of bicycle bells, pedals, and rubber tires. It is well settled that mere paper patents may negative patentable novelty, provided they sufficiently disclose the principles of the alleged invention, or provided the alleged objections could be obviated by mere mechanical skill. Pickering vs. McCullough, 104 U. S. 310. 'The very fact that a machine is patented is some evidence of its operativeness, as well as of its utility.' Dashiell vs. Grosvenor, 162 U. S. 425, 432, 16 Sup. Ct. 805. When, therefore, a prior patent appears

> upon its face to be relevant to the consideration of the prior art, I think the later inventor should show either that such device was not useful, or that it did not so disclose the principle of the later patent as to deprive it of its claim of patentable novelty."

Even when no machine whatever is put into commercial use under a patent, and the owner of the patent simply "locks it up" and does not attempt to make any practical use of it, still is he entitled to protection.

> E. L. Watrous Mfg. Co. vs. American Co., 161 Fed., 362, 364; affd. by Seventh C. C. A., 176 Fed. 96.
>
> Continental Paper Bag Co. vs. Eastern Co., U. S. Supreme Court, June 1, 1908.
>
> Lettelier vs. Mann, 91 Fed. 909, 914 (Judge WELBORN, S. D. California).
>
> Natl.Dump-Car vs. Ralston, 172 Fed. 393 (Sixth C. C. A., affirms lower Court, on p. 407).

4. VILLY'S original Patent No. 739,954, granted Sept. 29, 1903, reissued Jan. 30, 1906, explicitly discloses a foldable horn composed of a plurality of gore-sections which have curved edges, so that when united together they constitute the outwardly-curving or bell-mouthed horn shown in his Figs. 1 and 5. In order to understand the full purport of the disclosures of this Villy Patent, we are entitled to refer to the subsequent reissue thereof procured by plaintiff's predecessor, and also to the still subse-

No. 739,954. PATENTED SEPT. 29, 1903.

G. H. VILLY.

HORN FOR PHONOGRAPHS, EAR TRUMPETS, &c.

APPLICATION FILED DEC. 8, 1902.

No. 12,442. REISSUED JAN. 30, 1906.

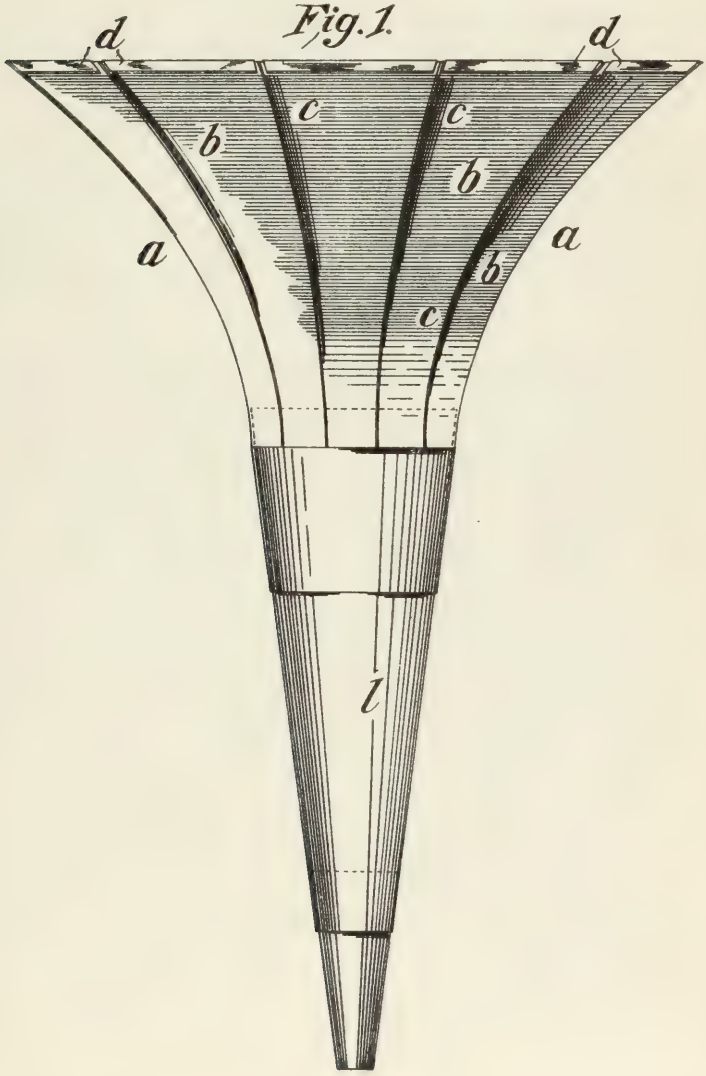
G. H. VILLY.

HORN FOR PHONOGRAPHS, EAR TRUMPETS, &c.

APPLICATION FILED OCT. 26, 1905.

3 SHEETS—SHEET 1.

Fig. 1.



quent Berner Patent No. 926,235, procured by plaintiff itself; because the statements made by plaintiff in those two subsequent patents constitute admissions against interest which are binding upon plaintiff.

PLAINTIFF'S RELATION TO THE FOUR PATENTS.

Mr. Locke tells us that plaintiff's predecessor in title, the United States Horn Company, and the plaintiff itself, are the same in interest, controlled by the same interests (Locke, p. 170, XQ. 155; p. 187, RDQ. 119).

As to Villy's Reissue: Plaintiff's Exhibit, the assignment of Jan. 4, 1907 (in which the United States Horn Co. conveyed to plaintiff the Nielsen Patent in suit) recites that said United States Horn Co. acquired title to the Nielsen Patent on Feb. 24, 1905; and the same date of assignment is testified to by Messrs. Locke and Krabbe. Thereafter, on Oct. 26, 1905, while said United States Horn Co. still owned the *Nielsen Patent,* it applied for a reissue of the VILLY Patent No. 739,954 aforesaid, which was granted Jan. 30, 1906, as No. 12,442. In the second paragraph of the aforesaid assignment of Jan. 4, 1907, is the recital that said United States Horn Co. acquired the Villy original patent on Oct. 4, 1905, and "said United States Horn Company, as assignee of Gustave Harman Villy, did obtain reissued Letters Patent * * * numbered 12,442."

It is the presumption of law that the Villy Reissue has complied with the requirements of the Statute (Section 4916) in setting forth nothing not already set forth in the Villy original; and that Statute gives every statement in the reissue the status of having appeared in the original patent. The pertinent language of the Statute is:

> "Every patent so reissued, together with the corrected specification, shall have the same effect and operation in law, on the trial of all actions for causes thereafter arising, as if the same had been originally filed in such corrected form; but no new matter shall be introduced into the specification, * * * ".

In applying for and obtaining the Villy Reissue, plaintiff's predecessor was asserting that *Villy,* rather than Nielsen, was the first and true inventor of the subject-matter of the new Claims, *which in law relate back to the date of the original Villy Patent,* thus being prior in date to Nielsen. Villy's Reissue Claim 8 (for example) is as follows:

> "8. A phonograph-horn or the like comprising a number of flexed strips having curved meeting edges, and means joining said edges, said strips being so flexed and said edges so curved and joined that the horn is given a trumpet-like or bell-like form, the strips forming angles where said edges meet."

PLAINTIFF'S CIRCULAR LETTER OF NOVEMBER 15, 1906.

Plaintiff quoted said claim 8 *along with Nielsen's claim* 3 in its circular letter of November 15, 1906 (pp. 49-50) referring to the Nielsen and Villy Reissue Patents by date and number, with the assertion that:

> "All of the so-called 'Flower Horns' made by our aforesaid competitors are flagrant infringements of said patents." (P. 50); note the plural.

This Villy Reissue claim 8 recites explicitly *every* detail disclosed by Nielsen, except two. First, Nielsen's specification names "sheet-metal" and his Claim 2 calls for "metal," whereas Villy's Reissue Claim 8 does not specify any particular material,—and neither does Nielsen's Claim 3; but, Villy's Claim 8 is to be read as disclosing the phonograph-horn there set forth, composed of any well-known material for phonograph-horns, *e. g.,* sheet-metal. Second, Villy's Reissue Claim 8 names broadly "means" for securing together his curved gore-sections, whereas Nielsen discloses the abutting flanges [as in McVeety and Ford] as constituting *his* connecting-means. But, Nielsen's flanges are said by him to function as "ribs" to improve the acoustic properties of the horn; while the original Villy *Patent* has told us that the *curving edges* of his gore-strips not only produce the curving contour of the assembled horn, but also enable him to *dispense* with

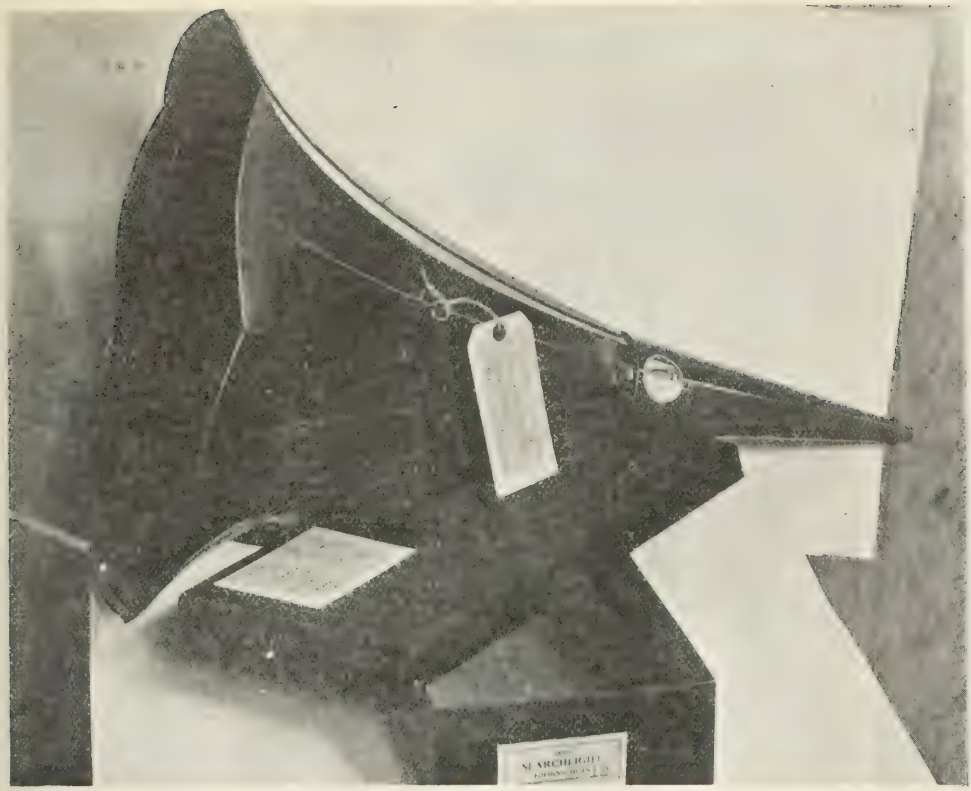
"additional stiffening or sustaining *devices*" (Villy's original Patent, p. 2, lines 51-55). In short, Villy's curving line of juncture of the curved gore-sections is stated by Villy to serve the same function Nielsen attributes to his ribs,—that is, Villy's juncture is the mechanical equivalent for Nielsen's juncture, and this statement is repeated by plaintiff in the Villy Reissue.

Obviously Villy on the record before this Court is infringed by Nielsen. As Nielsen infringes Villy, particularly claim 8, then why is Nielsen not anticipated by it. Perhaps that is why the United States Horn Co., predecessors of the present plaintiff-appellee bought the Villy Patent. It is quite likely and the Record leads one inevitably to that inference, and to no other.

This is fortified by the said circular of plaintiff dated November 15, 1906. Why was this broad claim 8 of the Villy Reissue presented and allowed, unless it was to secure to Villy his invention without any limitation as to how the longitudinal strips should be joined together *or of what material* these strips should be made.

VILLY METAL HORN.

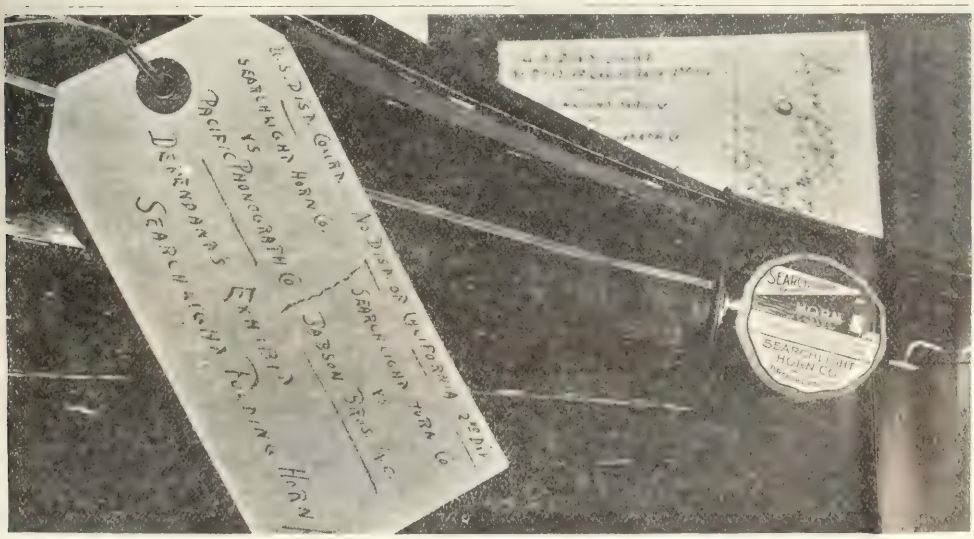
There is in evidence as "Defendant's Exhibit Searchlight Folding Horn" (R. 178) a *red* "foldable" Villy Horn of *Metal*. Mr. Locke, president of the plaintiff testifies (X. Q. 92) that they made



VILLY—Metal Sectional Flower Ribbed Horn. Patented Sept. 29, 1903, Reissued Jan. 30, 1906.



SAME—Knocked-down.



VILLY—Metal Sectional Ribbed Flower Horn as manufactured by the Plaintiff and showing **Nielsen Patent Mark.** (Compare above with Nielsen's Claims.)

P. B. T. BERNER.

PHONOGRAPH HORN.

APPLICATION FILED AUG. 19, 1907.

926,235.

Patented June 29, 1909.

3 SHEETS—SHEET 2.

Fig. 7.

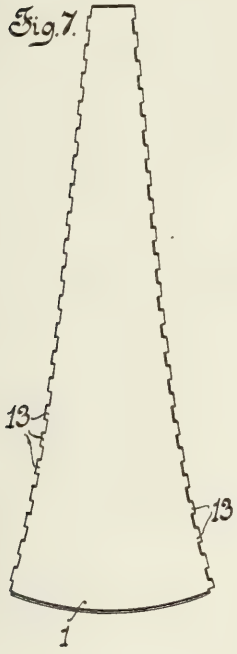


Fig. 9.



Fig. 10.

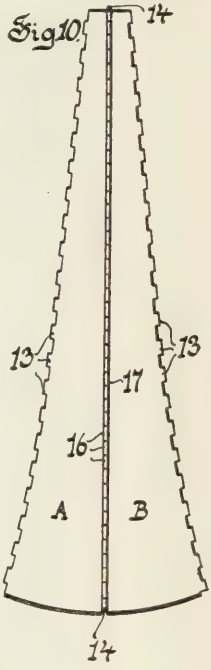


Fig. 8.

up about 3000 *of these Horns.* There is no testimony whatever to show that they ever made them of anything but metal. This red Villy Horn of metal bears the date of the *Villy* Patent and also the date of the Nielsen Patent. Concerning this Villy *metal* Horn, Mr. Locke wrote to the National Phonograph Co. December 12, 1906, (R. 181-2) that they considered it:

> *"The most perfect product of its kind ever turned out both structurally and acoustically."*

(A photograph of this letter appears at the back of this Brief. This letter is interesting in addition to the foregoing, as illustrating the longitudinally corrugated parabolic Horn of Plaintiff.)

Again he wrote on December 21, 1906 (R. 182-3), referring to "our Mr. Berner," that:

> "In reference to the *metal used in the knock-down horn* being too thin at the small ends of the sections we can use a heavier metal if desirable, though our present horns weigh half a pound more than the other horns in the market."

As to Berner. On Jan. 4, 1907, the United States Horn Co. assigned to plaintiff the Nielsen Patent and the Villy Reissue Patent; and thereafter, on Aug. 19, 1907, plaintiff (while still owning those patents) applied for and obtained the Berner Patent No. 926,235, granted June 29, 1909, as an avowed "improvement" upon the *"horns shown in United States Patents* 12,442 (*Villy*) *of January* 30, 1906,

and 771,441 (*Nielsen*) *of October* 4, 1904." (Lines 15-17, p. 1).

In plaintiff's letter of July 20, 1909 to President Dyer of the National Phonograph Co.—one of plaintiff's own exhibits—reference is made to the "patent just issued on our Folding Horn." Said Berner Patent was issued on June 29, 1909, and is manifestly the "just issued" patent referred to. In said letter of 1909 plaintiff makes the statement that the horn of its "just issued" patent is—

> "the only practical all metal collapsible horn in the world * * * Its amplifying and tone-qualities are equal to a lapped seam horn * * * We are also owners of patents No. 731,154, issued Sept. 29, 1903 [Villy original], No. 771,441, issued Oct. 4, 1904 [Nielsen], and No. 12,442, reissued Oct. 26, 1905 [Villy Reissue]. These are the earliest Flower Horn patents." (Oct. 26, 1905 is the *date of application* of the Villy Reissue.)

This ties up the four patents, and presents plaintiff as not only asserting the relationship of the four patents but as vouching for the statements made therein.

Now, the Villy original patent was for a collapsible horn, made up of gore-sections said to be composed of "paper, wood, linen, or *other* preferably FLEXIBLE material"; and we have already shown that *flexibility* was what Villy was after (as permitting his horn to be sprung into opened or closed position); and that, under the law, this was

to be read as disclosing sheet-metal, which also is a flexible material. And now comes plaintiff, with its Berner Patent, and calls for a foldable phonograph-horn composed of longitudinally-arranged gore-sections composed of "flexible sheet-metal," thus showing convincingly, and out of plaintiff's own mouth, that the Villy original patent is to be construed as disclosing the subject-matter of Villy's Reissue Claim 8, and as disclosing *flexible sheet-metal* as the material there set forth. Now, Villy had already told us in his original patent—though the information was not necessary—that

> "I vary the method of jointing and stiffening them [the gore-sections] to suit the material from which the strips [the gore-sections] are constructed."

That is to say, when employing flexible sheet-metal, as the material, Villy would, of course, unite the sections by one of the known methods of uniting sheet-metal, which we have seen would produce the longitudinal "ribs."

But the Berner Patent goes even further. Berner discloses not only a foldable horn, but also says his construction can be employed for producing a *rigid* non-collapsible horn (p. 1, lines 55-60; p. 2, lines 28-36). And, after disclosing the "piano lid hinge" for uniting his gore-sections, Berner adds that, in case of a non-folding horn, the wire functions to produce a very substantial and durable connection which may be "additionally stiffened by the addi-

tion of a little solder if desired" (p. 2, lines 29-32), thus tying up the hinge connection of Villy and Berner's foldable horn with the *rigid* connection of Nielsen's and Berner's non-foldable horns.

To resume our consideration of the original Villy Patent, in the light of plaintiff's statements in the Villy Reissue and in the Berner patent: The Villy original patent explicitly discloses the curved-edge *gore-sections* which may be made of any "flexible" material; and in the Berner Patent plaintiff tells us that *sheet-metal* is a suitable flexible material. Villy tells us that the curvature of the joints constitutes a sufficient stiffening and gives sufficient rigidity, *i. e.,* is the *equivalent* for the "ribs"; and in the Berner Patent plaintiff admits—what was already well known—that the wire juncture (whether used for a foldable horn or for a rigid horn) serves as and *is in fact a stiffening rib.* In short, the original Villy Patent disclosed to persons familiar with the art, an outwardly-curving phonograph-horn composed of longitudinally-arranged gore-sections which might be made of sheet-metal and which might be united together along their meeting edges by well-known means which entail the presence of longitudinal ribs along the seams.

CLAIM 8 OF VILLY.

An interesting case closely in point on this subject was that of—

> Holt Manufacturing Company vs. The Best Manufacturing Company, 172 Fed. 409 (Ninth C. C. A.),

which came before your Honors, in which case Judge ROSS during the course of the Opinion, observed:

> "The record shows that, about two years before what the plaintiff claims as the Best invention, one Berry had procured the issuance to him of a patent for a 'combined steam traction header and thrasher' which invention the patentee declared relates 'to that class of agricultural machines known as "combined harvesters and thrashers," and particularly to that class in which the power of the engine is directed not only to the operation of the several parts of the machine, but also to the progression of the machine,' the construction and combination of the device of which the patentee specifically described and claimed in a series of claims, the eleventh of which is as follows:
>
> " '11.—In a combined steam traction harvester and thrasher, the frame, A, and an engine carried thereby, whereby its progression is effected, in combination with the thrasher, I, connected with the frame, A, a supplementary engine, M, and power transmitting devices from said last-named engine to the cylinder of the thrasher, whereby it is driven at a uniform rate independent of the progression of the machine, substantially as described.' "

What Best did was not to invent a Combined Steam Harvester, but to make improvements in such Harvesters, and his patent shows upon its face that he himself so characterized his invention. (Nielsen says in his patent, that:—"I, Peter C. Nielsen—have invented certain new and useful improvements in horns for phonographs and similar machines.") Continuing in the Holt case, Judge ROSS goes on to show the different elements that the Berry machine consisted of, which is followed by a description of the operation by Berry, concluding as follows:

> "Berry then proceeded to set forth his claims, the eleventh of which has been hereinbefore set out.
>
> "We think it very plain, from what has been said, that Best cannot be properly regarded as a pioneer inventor, who is one who stands at the head of the art, or who has at least made such a distinct step in its progress as to distinguish it from a mere improvement or perfection of what had gone before, and that the court below should have so instructed the jury, and not have left it to them to determine that question.
>
> "For the reasons stated, the judgment must be, and hereby is, reversed, and the cause remanded for a new trial."

Villy being the first in the field of Flower Horns, and by "first" we simply mean he was ahead of Nielsen, it is perfectly clear that Claim 8 of the Villy Patent, differentiated from the other claims, was intended to protect Villy in his right to make, use and sell—and prevents Nielsen or any one else patenting a horn made of longitudinal strips of any

material, including metal, with the longitudinal edges of these strips secured together in any known manner.

TWO-FOLD CLOUD ON NIELSEN TITLE.

The relation that the Nielsen Patent bears to the Villy patent is analogous to the situation in Cushman Co. vs. Denny, 147 Fed. 734, where the patent there, (issued to one Kelley), had been in Interference with another patent (issued to one Gorton), and the *broad claims had gone to Gorton.*

The Court said:

> "It will be noted that the claims conceded to Gorton fit Fig. 1 of Kelley's drawings; in fact, Fig. 1 of Gorton's drawings is the same as Kelley's Fig. 1 turned over. The clip of Gorton's claims is precisely the clip of the patent in suit. The *complainant comes into court with this cloud upon its title, and it is not perceived that the prima facie validity of the patent has been established.*"

That case was affirmed at 157 Fed. 1002 in a memorandum opinion in which the Court added the following pregnant observation distinctly applicable to Nielsen:

> *"We * * * are not satisfied that the device of the patent possesses the functional advantage claimed for it*, viz., more uniform contact with the paper held in the clip."

If the Nielsen Patent has any novelty over *Villy*, it is in the specific and particular construction and

arrangement of his "outwardly directed flanges" of his claims 1 and 2, shown in Fig. 3 of his patent, and it is by reason of this restricted and limited feature alone that the right to practice his alleged invention rests. He had no monopoly by which he could prevent other manufacturers from dispensing with his specific "outwardly directed flanges" or building horns with a lap-seam or any other common form of juncture in use prior to the Nielsen patent. It may be, and probably is, that manufacturers of these lap-seamed horns (including *Nielsen*) are infringers of Villy; but the present defendant is not an infringer of Nielsen.

We, of course, understand that the doctrine of equivalents is applicable to combination claims. But it is the consensus of the leading cases that the application of that doctrine narrows, as invention narrows, until in the case of patents for slight improvements over existing devices it has little elasticity.

Walker on Patents, 4th Ed. 359, et seq.

Continental Paper Bag Co. vs. Eastern Co., U. S. Supreme Court, June 1, 1908.

The rule frequently followed in this Court is well stated by your Honors in De Lamar vs. De Lamar Mining Co., Ltd., 217 Fed. 240.

See also Judge MORROW in Faber vs. Marceau, 87 Fed. 871:

> "It follows that this is a case where in view of the state of the art a patentee is only entitled

at the most to the *precise method* mentioned in his claim. Boyd vs. Tool Co., 158 U. S. 260." (Italics ours.)

To summarize briefly as to Villy, the Record now before your Honors establishes:

1. That the primary objections of Villy and Nielsen were similar as both sought to provide in the language of claim 8 of the Villy Reissue:

> A phonograph horn comprising a number of flexed strips having curved meeting edges and means joining said edges, said strips being so flexed and said edges so curved and joined that the horn is given a trumpet-like or bell-like form, the strips forming angles where said edges meet.

2. The Villy horn like Nielsen was made of "strips of metal" as seen by the Villy Horns in evidence, and which were manufactured in considerable quantities and marketed by the present plaintiff-appellee.

3. That the Villy Patent in the light of the Reissue anticipates Nielsen.

4. It is immaterial whether Villy appreciated the laws of "tintinnabulation" at the time he filed his patent or not. Mr. Locke, president of plaintiff has said concerning the Villy Horn (R. 184):

> "Its amplifying and tone qualities are equal to a lap-seamed horn."

and Villy, even though he did not know at the time of filing his application that his method was appliable to other types of horns, he is nevertheless entitled to all the known and unknown uses of his discovery, for as said in

> Herzog vs. New York Telephone Co., 172 Fed. 425:
>
> "* * * even though he did not know at the time of filing his application that his method was applicable to a telephone exchange, he is nevertheless entitled to the protection of the patent laws. He was not bound to set forth all the known and unknown uses of his discovery. Eames v. Andrews, 122 U. S. 40, 7 Sup. Ct. 1073, 30 L. Ed. 1064; Potts v. Creager, 155 U. S. 597, 15 Sup. Ct. 184, 39 L. Ed. 275; Pike v. Potter, 3 Fish. Pat. Cas. 55, Fed. Cas. No. 11,162."

DOUBLE USE.

GERSDORFF: There are *three* Gersdorff patents to be considered. In 1887 Gersdorff procured a patent for a funnel (referred to in his 1891 patent in evidence, No. 453,798, in lines 63-69) in which the usual rounded nozzle of the ordinary funnel was *flattened* to produce one or more flat *sides* to provide "air-vents." Hence that feature, the flat-sided "air-vent" nozzle, forms no part of the two later Gersdorff patents in evidence.

In 1888 Gersdorff applied for the improved funnel [of his 1893 patent in evidence] and showed a "strainer" detachably located therein; but, in 1890,

(No Model.)

A. GERSDORFF.

FUNNEL.

No. 453,798. Patented June 9, 1891.

Fig. I.

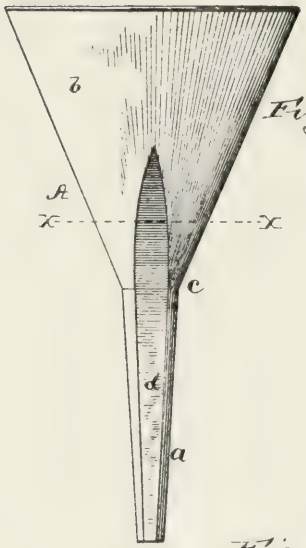


Fig. II.

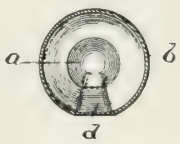


Fig. III.

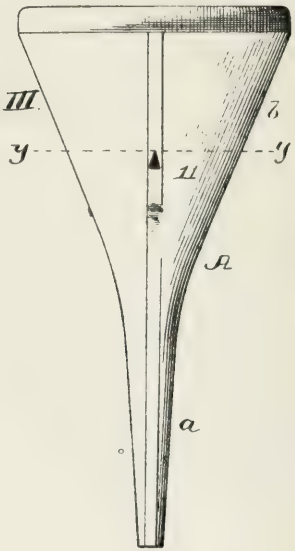


Fig. IV.

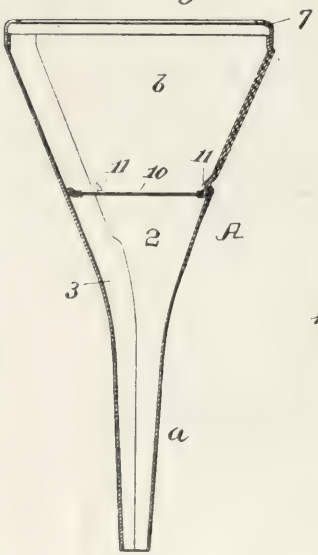
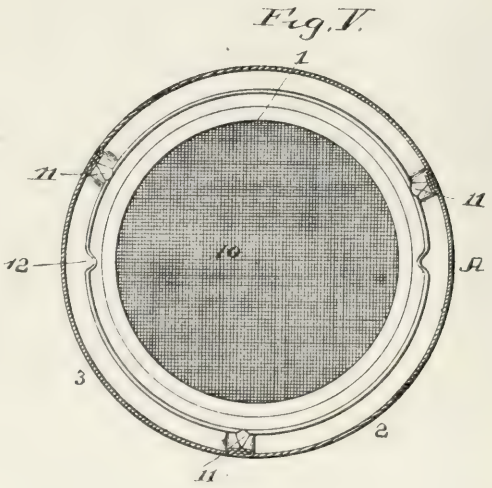


Fig. V.



while that second application was still pending, he filed a third application for the detachable strainer, —which eventuated in his 1891 patent also in evidence, No. 453,798, which latter *claims* the combination of the detachable strainer. Therefore the strainer-combination forms no part of the invention of his 1893 patent in evidence, No. 491,421. However, those two patents, of 1891 and of 1893, were copending and are quite similar in their pertinence as disclosing the structure of the *Nielsen* horn.

In each of the two patents in evidence, Gersdorff refers to the old practice of forming the body and the nozzle of the funnel separately, the body of *one* piece and the nozzle of *another* piece, and then uniting the two together by the annular "joint *c,* in the ordinary manner," as shown in Fig. 1 of his 1891 patent No. 453,798. See lines 45-47 of that patent, and lines 30-35 of his 1893 patent. That is precisely the construction of Hawthorne & Sheble's "B. & G." phonograph-horns, and of the phonograph-horns of the Runge, the Marten, and the Sheble patents in evidence.

Gersdorff, however, says that this old construction has proved *defective,* and [emphasis and emended punctuation our own] that—

> "as a better and cheaper manner of making the funnel, I prefer to construct it in *longitudinal sections* (1, 2, 3), which may consist of two, three, *or more,*—each section forming a part of the body and nozzle of the funnel" (1891 patent, lines 48-52); and that said longitudinal sec-

> tions "are united upon longitudinal lines, so that each section extends from the *upper* end to the *lower* end of the funnel and constitutes a part of the body and a part of the nozzle of the same, as shown" (1893 patent, lines 38-42).

Gersdorff emphasizes this by repeating in each patent:

> "The sections 1, 2, 3, of the funnel extend from the *top* of the body to the *lower end* of the nozzle, each section forming a part of the body and nozzle" (1891 patent, lines 70-72); and: "As hereinbefore stated, the funnel is made wholly of *longitudinal sections,* which extend from the *top* of the body of the funnel to the *lower end* of the nozzle" (1893 patent, lines 72-75).

Gersdorff continues (emphasis and interpolated comments ours):

> "The sections are united together along their side-edges, through the body of the funnel by bending the same to form *flanges* [as Nielsen subsequently did], and by [thereupon] interlocking and soldering the flanges together [*defendant's* horns have interlocked flanges, *Nielsen* probably "soldered" his], thus forming the longitudinal *seams"* (1891 patent, lines 77-81; 1893 patent, lines 79-84).

When the flanges *remain upturned,* as in Nielsen's drawings, and in the McVeety and Ford patents, they constitute "ribs"; but when *turned down* in interlocking, as in Gersdorff and in defendant's horns, they are more properly designated "seams," —but the Court below has held the term "ribs" applicable to defendant's interlocked *seams,* and it is

(No Model.)

A. GERSDORFF.

FUNNEL.

No. 491,421. Patented Feb. 7, 1893.

Fig. 1



Fig. 2

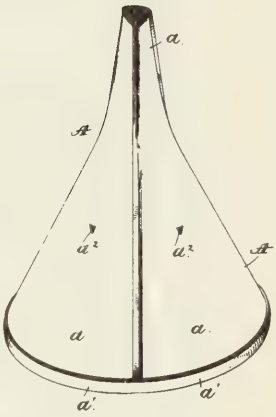


Fig. 3.

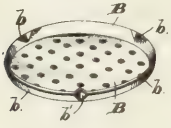


Fig. 4.

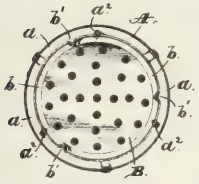


Fig. 5.

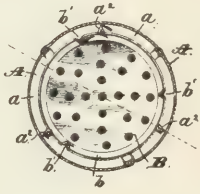


Fig. 6.



therefore equally applicable to Gersdorff's identical seams. *Peters* vs. *Active,* 129 U. S. 530, *supra,* etc.

Gersdorff's 1891 patent says (emphasis ours,—lines 63 *et seq.*):

> "The *preferred* form of the funnel shown in Figs. III and IV has its nozzle provided with a plurality of *flat sides* and forming a series of vents * * * as shown and described in a prior patent issued to me February 8, 1887, and numbered 357,476."

In other words the *flattening* of the sides is merely one "preferred" or *optional* feature that may be dispensed with; and when this 1891 patent issued, it taught how to construct the curving funnel there shown, made up of a plurality of gore-sections of sheet-metal that extend the *full length* of the device and are united by interlocked flanges which constitute (in Gersdorff's own words) "longitudinal seams,"—either with the ordinary tapered cylindrical nozzle, or with the special patented "flat-sided" nozzle.

This 1891 Gersdorff patent is directed to the "detachable strainer" and the means for its detachable connection. The specification concludes by saying:

> "No claim is *herein* made to the funnel made of longitudinal sections, each section forming a part of the body and nozzle of the funnel and extending from the point [tip] of the nozzle to the top of the body, the sections being joined together by longitudinal seams,"—

and yet we now see that, *thirteen years later,* Nielsen makes claim to that very subject-matter. Gersdorff continues that neither is any claim made *in said* 1891 *patent*—

> "to the nozzle formed with the flattened side or sides, as these [two] features form the subject-matter of a separate application" * * * (the 1893 patent in evidence.)

But, at the very outset we pointed out Gersdorff's statement, in his 1891 patent, that the latter feature (the flat-sided air-vent) formed the subject-matter of the still earlier Gersdorff patent of 1887; and that it is only *optional* in this 1891 patent. Therefore it is clear that the whole spirit and teaching of Gersdorff's 1893 patent, the supposed *novelty* it contributed, is the employment of longitudinally-extending gore-sections; and even *that* construction could not be claimed as novel *per se,* as far back as 1893, but only in *combination with* the previously-patented "flat-sided air-venting" nozzle. Gersdorff's patents have long since expired, and every one is free to use his disclosures either in whole or in part. Gersdorff himself could not, in 1893, obtain a patent on merely the longitudinal-section construction; and no more could any one else, after Gersdorff's 1891 patent had disclosed it. Certainly there could be no invention in merely retaining the ordinary rounded nozzle (instead of giving it Gersdorff's peculiar flattening).

It will prove interesting to read the two Claims of the 1893 patent, especially Claim 2 (the narrower

one), in connection with *Nielsen's* disclosure,—omitting the reference to the unnecessary flattening of the nozzle, and recalling that a *funnel* does not lose its identity by being used as a "phonograph-horn," *e. g.:*

Claim 2 *of Gersdorff, No.* 491,421:

> "2. As a new article of manufacture, a funnel [whether used on a phonograph or elsewhere] made of longitudinal sections united together by longitudinal seams [to *call* Nielsen's junctures "ribs" does not prevent them from being *seams*; and if Gersdorff's "seams" are not *ribs,* neither are the *flattened* interlocked seams of defendant's horns], and each section forming a part of the body and nozzle of the funnel [or phonograph-horn] * * * the seams of the body being formed by interlocking and soldering flanges and the seams in the nozzle being soldered together, whereby the inner surface of the body and nozzle is made *smooth,* substantially as described" [Gersdorff's drawings show his "seams" as located *externally* to leave this "smooth" inner surface. Fig. 2 of this 1893 patent (an *external* "perspective") clearly shows the "seam" or *rib* extending the whole length of the funnel; while Fig. 6 (a "cross-section" showing the *interior*) presents merely the crevice or line of juncture and shows there is no *internal* seam or rib].

In this immediate connection, we will find it interesting to read *literally,* upon Gersdorff, Nielsen's two Claims in suit, remarking only that "a horn for phonographs" is after all a mere *funnel, e. g.:*

NIELSEN'S CLAIM 2:

"2. A horn for phonographs and similar machines [whether the Gersdorff funnel be used as a conduit for a fluid or for a conduit for sound-waves, is a mere "double-use"], the *body* portion of which is composed of longitudinally-arranged strips of metal [Gersdorff calls *his* gore-sections "sections"; and they are of *metal,*

—else he could not interlock their flanged edges; and they are *longitudinally-arranged*] provided at their edges with longitudinal outwardly-directed flanges [Gersdorff tells us he bends up the edges of his sections "to form flanges"; and we have seen that Gersdorff's flanges are *external* or "outwardly-directed."] whereby said strips are connected [Nielsen probably soldered the still-upturned abutting flanges; in defendant's horns the flanges are bent down and interlocked,—but the Court below held the two equivalents; and Gersdorff both interlocks and also solders],

and whereby the body portion of the horn is provided on the outside thereof with longitudinally-arranged ribs [Gersdorff's interlocked and soldered seams extend "longitudinally," are located on the "outside" of his article, and constitute "ribs"; and certainly the Court below held the interlocked seams of the horns of the Columbia Co. and of prior defendants to be the equivalent of Nielsen's *ribs*; hence Gersdorff's "seams" also are *ribs*],

said strips being tapered from one end of said horn to the other [Gersdorff's sections or strips are clearly "tapered," and taper from the tip of the nozzle to the top of the funnel-mouth; and the Gersdorff funnel has an outwardly-curving contour, too, if curvature is relied on for Nielsen],

substantially as shown and described." [Gersdorff's funnel, in shape, material, manner of construction, and manner of assemblage, is—in most minute detail, too,—"substantially as shown and described" in the *Nielsen* drawings and specification.

NIELSEN'S CLAIM 3.

"3. A horn for phonographs and similar instruments [the purpose for which Gersdorff's "funnel" is put does not change its identity], said horn [or funnel] being larger at one end than at the other and tapered in the usual manner [literally true of Gersdorff's outwardly-curving funnel],

said horn [or funnel] being composed of longitudinally-arranged strips [Gersdorff's "three *or more*" sections, 1, 2, 3, etc., are "longitudinally-arranged"]

(said strips being) secured together at their edges [true of Gersdorff's strips],
and the outer side thereof (at the point—more correctly, the *line*—where said strips are secured together) being provided with longitudinal ribs [true of Gersdorff's *external* "longitudinal seams"; if they are not "ribs" in the sense of the Nielsen Patent, neither are defendant's, and there is *no* infringement],
substantially as shown and described" [which adds nothing, because every slightest detail of construction set forth by Nielsen is found in Gersdorff].

The successive developments of the funnel, and what the world had learned from Gersdorff, or already knew, can be set forth in *four* steps, viz.:

1. The old-fashioned funnel, the nozzle formed of one piece of sheet-metal bent around to form a slightly-tapered cylindrical tube, and the body formed of another piece of sheet-metal bent around to form a more widely-flaring cone, and the two parts then united together by an annular joint, extending around the "waist-line" so to speak. (B. & G. Horn.)

2. Gersdorff's 1887 patent, referred to in his 1891 patent, merely *flattened* the cylindrical nozzle of the old funnel, to produce one or more flat faces to serve as air-vents, see *"d"* of Figs. I and II of said 1891 patent.

3. Gersdorff's 1891 patent, devoted to the detachable "strainer" and the means for securing it *detachably* in place, but nevertheless containing Gersdorff's first published disclosure of the longitudinal-section construction, and disclosing it as applied either to (A) funnels with the ordinary round (tapered cylindrical) nozzle, or to (B) funnels with the special flat-sided nozzle.

4. Gersdorff's 1893 patent, disclosing and featuring the longitudinal sections, but forced to claim the same only in combination with the already-patented flat-sided nozzle.

As soon as the 1891 patent came out, the public knew how to construct the curving longitudinally-sectional funnel there shown, either with the ordin-

ary round nozzle or with the special flat-sided nozzle. The 1893 patent expired Feb. 7, 1910; and since then the public has been free to use the form with the flat-sided nozzle; but the public has *always* been free to construct and use the one with ordinary round nozzle, even during the life-time of the Gersdorff patents, because the Claims of the 1891 patent were limited to the detachable strainer, and the Claims of the 1893 patent were limited to the flat-sided nozzle. The public having always had the right to use the ordinary *round*-nozzle Gersdorff funnel for any purpose, Nielsen cannot take away that right.

Passing by, for the moment, the particular uses to which the several devices are put, we say (1) that *as mere inert metallic structures* defendant's horns and the Nielsen device are IDENTICAL with the Gersdorff longitudinally-sectional device with the ordinary round nozzle [and not patentably different from the alternative Gersdorff device with flat-sided nozzle], Gersdorff (as well as defendant and Nielsen) having his adjoining curve-edge sheet-metal gore-sections united to one another by their marginal flanges in such manner as to produce a longitudinal "seam" or "rib" along each line of juncture; and (2) that *if* used as "phonograph-horns," it is self-evident that the Gersdorff and the Nielsen devices being *structurally* identical will *behave* identically. No further argument is needed to demonstrate either fact.

True the "funnel" may possibly have been *smaller* than the "horn"; but that is not a patentable distinction. In the eyes of the patent-law they are the same.

Phillips vs. Page, 16 Law. Ed. 639; 24 How. 164.

Woodbury vs. Keith, 25 Law. Ed. 939; 101 U. S. 479, 490.

Amer. Road Mach. vs. Pennock, 141 Law. Ed. 337; 164 U. S. 26.

Now we assert that it does not change the identity of the Gersdorff device to use it as a "phonograph-horn"; and that Nielsen's patented "phonograph-horn" is a mere case of DOUBLE USE, and therefore not patentable. A prior patentee "is entitled to all the uses to which his device can be put, no matter whether he had conceived the idea of the use or not."

Roberts vs. Ryer, 23 Law. Ed. 267, 270; 91 U. S. 150, 157.

American vs. Elec., 36 Law. Ed. 327, 329; 144 U. S. 11, 18.

Lovell vs. Carey, 37 Law. Ed. 307, 312; 147 U. S. 623, 637.

Miller vs. Eagle, 38 Law. Ed. 121; 151 U. S. 186.

If Nielsen had been the *very first* man who ever employed an amplifying-horn to augment the sounds

emitted by a phonograph, *if* no one else had ever attempted that prior to Nielsen, then there would be room for contending that, in taking a "funnel" from a remote art and using it in a non-analogous manner to produce a new result (the amplifying of the phonograph-music), Nielsen had made an invention, —but the facts are:

> "He invented no *new device* [as a mere inert metallic structure, Nielsen's "horn" is the same as the Gersdorff "funnel"]; he used it for no *new purpose* [amplifying-horns had long been used for playing phonographs]; he applied it to no *new machine*" [phonographs were old].
>
> Mast-Foos vs. Stover, 44 Law. Ed., 856, ...; 177 U. S. 485, 493.

And even conceding to Nielsen full credit for every achievement and every merit asserted by plaintiff, yet if entitled to any patent at all it must be for the actual horn he claims; it is not for the *idea* of utilizing such and such supposed principles, nor for the attaining of such and such alleged beneficial *results*. In the words of Mr. Justice STORY (in *Bean* v. *Smallwood*, 2 Story, 408), at least twice quoted with approval by the Supreme Court [emphasis and interpolated comments our own]:

> "Now, I take it to be clear, that a machine or apparatus, in order to give the party [Nielsen] a claim to a patent therefor, must *in itself* be substantially new. If it is old and well known [as an ordinary "funnel"], and applied only to a *new purpose* [as a "phonograph-

horn"], that does not make it patentable." Quoted with approval in—

Le Roy vs. Tatham, 14 Law. Ed. 367; 55 U. S. 156, and in—

Busell vs. Stevens, 34 Law. Ed. 719, 720; 137 U. S. 423, 434.

In a famous leading case, the Supreme Court said [emphasis and interpolated comments our own]:

> "It is not the result, effect, or *purpose to be accomplished* [*e. g.,* to use a vinegar funnel as a phonograph-horn] which constitutes invention or entitles a party to a patent, but the MECHANICAL MEANS or instrumentalities by which the object sought is to be obtained. Patents cover the MEANS employed to effect results [citing other authorities]. The prior invention [of Gersdorff] covered the means, and the *only* means by which the results sought by the patentee [Nielsen] were to be accomplished; and it is settled that [*Gersdorff*] the patentee of such prior device would be entitled to *all* of its uses whether described [by Gersdorff] or not."
>
> Miller vs. Eagle, 38 Law. Ed., 121, 151 U. S. 186,

In another case Circuit Judge WALLACE had pointed out that the inventor of the patent there in suit was "entitled to the merit of being *the first* to conceive of the convenience and utility of a gate-opening and closing mechanism which could be operated efficiently by an attendant in the *new* situation"; and that "the new situation required adequate *modifications* of existing devices * * * ap-

propriate to the *new* occasion." But [emphasis and interpolated comments our own]:

> "his [Nielsen's] right to a patent, however, must rest upon the novelty of the MEANS he contrives to carry his idea into practical application. It *rarely* happens that old instrumentalities are so perfectly adapted for a use for which they were not originally intended as not to require any alterations or modifications. If these changes involve only the exercise of ordinary mechanical skill [*e. g.*, making the Gersdorff funnel on a larger scale, and making its nozzle fit the phonograph], they do not sanction the patent; and, in most of the adjudged cases where it has been held that the application of old devices to a new use was *not patentable*, there WERE changes of form, proportion or organization of this character which were necessary to accommodate them to the new occasion."

And the Supreme Court paid Judge WALLACE'S Opinion the unusual compliment of quoting it and making it their own.

> Aron vs. Manhattan, 33 Law. Ed. 272, 275; 132 U. S. 91, 98.

In still another case, the Supreme Court sums up and formulates the law by saying [emphasis and interpolation our own]:

> " * * * it is well-settled by the authorities that the *end* or *purpose* sought to be accomplished by the device [*e. g.*, Nielsen's alleged "doing away with the mechanical, vibratory, and metallic sound usually produced in the operation of such phonograph-machines, and also

> the producing a full, even, and continuous volume of sound in which the articulation is clear, full and distinct"—second paragraph of Nielsen Patent] is *not* the subject of a patent. The invention covered thereby must consist of *new* and useful MEANS. In other words, the subject of a patent is the *device* or *mechanical* means by which the desired result is to be secured" * * * citing numerous authorities * * * "and if such means, adapted to effect the desired results, do not [in themselves, in their own inherent structure] involve invention, they can derive NO AID OR SUPPORT *from the end which is sought to be secured.*"
>
> Knapp vs. Morss, 37 Law. Ed. 1059, 1062; 150 U. S. 227-8.

One who discovers some new property in an old thing, or some important result in a new location of an old thing,—without involving any mechanical change in that old thing [without making any mechanical change in the Gersdorff device] is not entitled to a patent.

> Bullock Elec. Co. vs. Gen'l. Elec., 162 Fed. Rep. 28, 36 (Third C. C. A.);
>
> Ryan Car Co., vs. Poultry Co., 195 Fed. 525 Seventh C. C. A.).

FURTHER DECISIONS RE "DOUBLE USE."

Potts vs. *Creager* (155 U. S.) has sometimes been cited as holding that the taking of a device from a remote art, and employing it for a new and non-analogous purpose, constitutes patentable inven-

tion. That is *not* the law; the statement is far too broad. What Mr. Justice BROWN said in that case was that the employment of an old device for a new but *analogous* use was never a patentable invention, whereas, if the new use is in a *non*-analogous art, the change *may* involve invention. He was careful not to commit the Court to the *incorrect* assertion that "where the two arts are remote, and if the new use of the old device produces a new result, then patentable invention is conclusively established." On the contrary, what the Court said was:

> "If the relation between them [the two arts] be remote and especially if the use of the old device produces a new result, it MAY at least involve an exercise of the inventive faculty,"—NOT the broad dictum: 'it *does* constitute a patentable invention.' "

The emphasis upon the word "may" is *not* our own; in the subsequent case of *Hobbs* vs. *Beach* (180 U. S. 383), Justice BROWN quotes his own language in *Potts* vs. *Creager,* and in doing so he himself italicizes the word "may" in the passage we have just quoted. See:

> Hobbs vs. Beach, 45 Law. Ed., 586, on p. 591; 180 U. S. 383, on p. 390.

In other words the remoteness or non-analogousness of the two arts is *not* the test; the transfer to a remote art *may,* and again it may *not,* involve invention.

In *Potts* vs. *Creager,* the Court said:

> "But where the alleged novelty consists in transferring a device from one branch of industry to another, the answer depends upon a VARIETY of considerations. In such cases we are bound to inquire into [1] the *remoteness* of relationship of the two industries; [2] what *alterations* were necessary to adapt the device to its new use, and [3] what the *value of such adaptation* has been to the new industry."

And Justice BROWN continues, that when the transfer is to a *remote* industry, and when the effect of *such* transfer has been to supersede other methods of doing the same work, *then* [and ONLY then] "the Court will look with a *less critical eye* upon the MEANS employed in making the transfer" (page 606 of U. S., page 279 of Law Ed.). The Supreme Court continues that the *prior* patentee is entitled to every use to which his invention is susceptible; but that if a later person has taken the prior man's old device, and, *by improving* thereon [that is,—by making *some change* in it], has *adapted* it to a different industry [to which it was not adapted in its former state], then the later man also may draw to himself the quality of inventor (page 606 of U. S., page 279 of Law Ed.).

> Potts vs. Creager, 39 Law Ed., 275, 278; 155 U. S., 579, 606.

The Potts vs. Creager decision was in entire consonance with prior decisions. Thus, in *Ansonia* vs.

Electric (144 U. S. 11), Mr. Justice BROWN had previously asserted, as thoroughly established, the rule that—

> "It is no new invention to use an old machine for a new purpose. The inventor of a machine is entitled to all the uses to which it can be put, no matter whether he had conceived the idea of the use or not" (citing *Roberts* v. *Ryer,* 91 U. S., *supra*);

and he added:

> "On the other hand, if [1] an old device or process be put to a new use which is *not* analogous to the old one, and if [2] the *adaptation* of such [device or] process to the new use [*i. e.,* if the changes that have to be made to enable it to do what it could *not* do before] requires the exercise of [3] *inventive skill* to produce it, such new use will not be denied the merit of patentability."
>
> Ansonia vs. Electric, 36 Law. Ed., 327, 329; 144 U. S., 11, 18.

And still earlier, in Lovell vs. Carey, (147 U. S. 623), Mr. Justice BLATCHFORD had held that a patentee is entitled to every use to which his patented invention can be put, and the public is likewise not to be deprived of any use to which the device of an expired patent can be put; that the application of an old device to a new use in an "analogous" art, will *never* support a patent; and neither will the application of an old device to a new use in a "*non*-analogous" art, except where

ingenuity amounting to invention is required for ADAPTING the old device to the new use.

> Lovell vs. Carey, 37 Law. Ed., 307, 312; 147 U. S., 623, 637.

In *Stearns* vs. *Russell* (85 Fed., 218), Judge TAFT, speaking for the Court of Appeals, calls attention to the "very carefully and cautiously worded discussion" in this Potts-Creager decision, and states that it includes, "as very large elements to be considered"—

> "The CHANGES in the old device, required to adapt the old device to the new use, and the remoteness of the new use";

and Judge TAFT then points out that, in the Potts-Creager case—

> "the *changes were marked.* The old device would have been *wholly inoperative* if applied as it was [*i. e.,* if applied in its original and unchanged condition] to disintegrating clay."

The patent before Judge TAFT was for a "pill-dripping apparatus"; and the defendant set up a prior device for applying sheets of paper to a *printing*-press, and other prior devices for *lifting nail-heads,* etc. All these devices bore the structural resemblance of having a suction-tube, yet the lower Court held them not pertinent, because taken from "non-analogous arts." But the Court of Appeals reversed this, saying:

> "In the case before us [as in the present Searchlight-Columbia case] no change was

> necessary at all, except the simple disengagement from other parts of a larger machine, and a mere reduction of size in the holes in the contact-tubes."

So in the present case, the Gersdorff funnel does not even have to be "disengaged" from anything, and no unusual change in size is required (other than merely to fit its smaller end [its "contact-tube"] to the "contact-tube" of the particular phonograph).

Judge TAFT then discusses other decisions where a device taken from one art had to be *changed* to adapt it to use in a non-analogous art; and he observed that "the new use involved a new force," and that "in those cases the patents were sustained on the ground that *ingenuity* was shown in *devising the mechanism needed* to apply the principle of the old machine to the new use"; and he sums up by saying:—

> "the cases in which it has been held that an old machine applied to a new purpose is *not* a new patentable machine are SO NUMEROUS that it would take too much space to cite them all"—

but he cites about a dozen.

> Stearns vs. Russell, 29 C. C. A., 121; 85 Fed. Rep., 218, 229-31.

Judge TOWNSEND held the Van Depoele patent for an "overhead trolley structure" anticipated by

a *tilting office-chair* and also by an ANIMAL TETHER!

> Thomson vs. Winchester, 71 Fed. Rep., 192, 208.

Upon a later and independent consideration of the same patent, Judge SHIPMAN reached the same conclusion, saying:

> "The conception of the *result,* or of its useful character, is not patentable. The MEANS by which the result is accomplished are patentable, if they are of *an inventive character* * * * A railroad turn-table or rotatable office chair, with a tension spring adjustment, did not probably tell the inventor how to make his rotating support,"—that is, the prior device was not in itself in Van Depoele's mind, being simply an instance which showed that no invention was required on Van Depoele's part.
>
> Thomson vs. Union, 87 Fd. Rep., 879, 882.

In a later case, a patent for a "savings-bank" for paper-money, containing a tube with a marginal rod of inwardly-extending teeth, was held invalidated by a MOUSE-TRAP!

> Burns vs. Mills, 74 C. C. A., 545; 143 Fed. Rep., 325.

See also:

> Schreiber vs. Grim, 19 C. C. A., 67-70; 72 Fed. Rep., 671, 674;
>
> Palmer vs. Lozier, 33 C. C. A., 255; 90 Fed. Rep., 732, 744-5;

Standard Caster vs. Socket, 51 C. C. A., 109; 113 Fed. Rep., 162;

Lewis vs. Semple, 101 C. C. A., 411; 177 Fed. Rep., 407, 410 (Ninth Circuit);

Webster vs. Dunham, 104 C. C. A., 346; 181 Fed. 38,9.

THE DEFENSE OF LACHES AND ESTOPPEL.

The issue as to Estoppel and Laches for plaintiff in the case at bar is presented by the Answer as follows (R. 21-24):

XVI.

"This defendant says that it has never manufactured, or caused to be manufactured, any talking-machine horns whatever; and that all the horns used or sold by it during the past seven years were procured from one of two sources only, to-wit either from the Hawthorne Manufacturing Co. of Bridgeport, Connecticut, or its predecessor Ellsworth A. Hawthorne of said Bridgeport, or his predecessor the Hawthorne & Sheble Manufacturing Co. of Philadelphia, or its predecessor the firm of Hawthorne & Sheble of Philadelphia, or from the National Metal Stamping and Manufacturing Co. of Newark, New Jersey, or its predecessor the Tea Tray Co., of said Newark, and from no other source whatever. And this defendant has been advised and believes, and therefore avers, that during and prior to the year 1906 and continuously ever since, said

Hawthorne concerns and said Tea Tray Co. (and its successor), and also the Standard Metal Mfg. Co. of Newark, New Jersey, have been and now are openly and notoriously manufacturing and selling,—and this defendant and the Victor Talking Machine Co. of Camden, [18] New Jersey, and the Edison companies of West Orange, New Jersey, have been and now are openly and notoriously using and selling phonograph horns substantially the same in all respects as the horns understood to be complained of herein; and that the parties aforesaid have continued to the present time thus to deal in the said horns as aforesaid, at all times to the full knowledge of this plaintiff and of the United States Horn Co. (from whom plaintiff is understood to derive its alleged title to the Nielsen Patent in suit) and without any protest or objection whatever on the part of the owner of said Nielsen Patent except as set forth below, to-wit, (1) on or about February 10, 1906, said United States Horn Co. represented itself to said Hawthorne and Sheble concern as the owner of said Nielsen Patent, and asserted that said patent was being infringed by said Hawthorne and Sheble and by said Tea Tray Co. and by certain other manufacturers, and suggested that said alleged infringers should unite in acquiring said Nielsen Patent or rights thereunder; and that said Hawthorne and Sheble after investigation, replied that said Nielsen Patent was invalid and of no force and effect in law, and that they would continue the

manufacture and sale of the horns aforesaid without paying any further attention to said Nielsen Patent; and (2) that as early as May, 1906, said United States Horn Co. asserted to said Victor Talking Machine Co. that the former owned said Nielsen Patent and that the latter was infringing the same, and demanded that said Victor Talking Machine Co. desist from the alleged infringements, and threatened patent suit in case of refusal; but that said Victor Co., after investigating said Nielsen Patent, paid no further attention to the same; and that thereafter to the present time said horn manufacturers have not been interfered with by this plaintiff or its supposed predecessors in title. [19]

XVII.

"That, in view of the long-continued course of dealing above set forth, and at all times well known to this plaintiff and its predecessor in title, defendant has long since been led to believe, and was justified in believing, that said Hawthorne and Sheble and said Tea Tray Co. had the perfect right to manufacture the horns aforesaid and to sell the same, and that this defendant had the perfect right to acquire and use and sell the same without interference by any patent owner, and that, relying upon the consistent conduct aforesaid of said United States Horn Co. and this plaintiff during all the period aforesaid, and their said acquiescence in the putting out of said horns, this defendant was induced to expend

and did expend large sums of money in acquiring for the benefit of its customers the horns understood to be now complained of, and in delivering the same to them; and that said horns were so sold because of their attractive dress and appearance, and not because of superior acoustic quality. Wherefore, this defendant says that it is contrary to equity and good conscience for complainant to maintain against it this suit in equity, or to obtain an injunction or an accounting or any other relief whatever."

THE INEQUITABLE CONDUCT OF PLAINTIFF-APPELLEE AND ITS LACHES.

When all has been said regarding invention or lack of invention by Nielsen, or infringement or non-infringement by defendant, there still remains the unanswerable contention of defendant that the plaintiff has been guilty of such inequitable conduct and of such laches as must bar the equitable relief prayed for.

Few patent cases coming before this Court present a problem like to the present one where suit to establish the patent was delayed for years after knowledge of the defendant's alleged infringement, and the general use of this device by manufacturers of musical instruments, who placed the same upon the market in competition with the owners of the patent, and this plaintiff permitted them to do so and remained silent until vast sums of money had

been expended in plants and millions of dollars worth of these instruments sold; and *now that the demand for these so-called "Flower Horns" has practically ceased since the advent of the hornless machine in 1909,* seeks not only to restrain this defendant from the further use of these horns, but to fill its coffers with tribute-money to which it is not entitled either in law or in equity.

The Nielsen Patent was issued October 4, 1904. Suit in this case was filed July 24, 1913. Defendant asserts with all the earnestness at its command that the owners of the Patent during all these years were practically silent, permitting defendant to expand its business and incur great expenditure, all without interference or any adequate assertion of plaintiff's alleged rights, and that this suit is barred by plaintiff's inexcusable laches.

The testimony of the plaintiff for this purpose will be taken as establishing that the Nielsen patented horn was a "great commercial success" (due wholly to advertising and its attractive appearance, and *not* to any acoustical advantages that it possessed).

Krabbe acquired this invention by assignment dated Feb. 10, 1905, the consideration specified being $1,764.25. We are not told that this consideration was paid, but Krabbe who bought out Nielsen says that he bought the patent and Nielsen's entire stock of horns and tools and good-will, including the "black bag" that he kept the specimen horn in at

that time (Q. 23, R. 86). This purchase-price evidently included certain machinery, because Krabbe says concerning his visit to Nielsen (R. 94-95): "He showed me his machinery and how he made the horns."

Before Krabbe bought the patent and business of Nielsen in February, 1905, Nielsen told him (R. 94) that:

> *"He (Nielsen) had lots of trouble because other people were making his horns, but now he got his patent and he was going to an attorney.* He showed me his patent."

Thus it is early apparent that Nielsen, the predecessor of the present plaintiff, was fully aware of any legal rights that he might have under the patent.

Following the purchase of the patent in 1905, Krabbe, a few days later, February 24, 1905, with his co-owner, Wm. H. Locke, Jr., president of the plaintiff Company in the present action, who had in the meanwhile become half owner of the Nielsen patent, assigned the patent to the United States Horn Company for a consideration specified as $1.00, Krabbe receiving one-half of the stock of the Company and becoming treasurer (Q. 57, R. 98).

On January 4, 1907, the plaintiff, the Searchlight Horn Company, succeeded the United States Horn Company as owner of the Nielsen Patent (R. 100), see assignment on file. In this assignment the fol-

lowing consideration is stated as being given for the Nielsen Patent in suit, and for the Villy Reissue Patent No. 12,442, dated January 30, 1906 (Villy having assigned to the United States Horn Co. Oct. 4, 1905):

> " * * * *five promissory notes* of which one is for One Thousand Dollars ($1,000) one for Eight Hundred Dollars ($800) one for Six Hundred Dollars ($600) and one for Five Hundred Dollars ($500) and one for Two Hundred and Sixty-six Dollars ($266) and bearing even date with this assignment, and drawn in favor of said U. S. Horn Co. by said Searchlight Horn Co. all of said notes being payable on demand with interest at per cent, the receipt of all of said notes being hereby acknowledged by the U. S. Horn Co. * * *
>
> "And the said Searchlight Horn Co. for itself, its successors and assigns and legal representatives, hereby promises, covenants and agrees to bear exclusively the entire expense of *instituting and maintaining all suits for past, present and future infringements* of said several Letters Patent or either of thereof, and to pay over to said United States Horn Company, its successors, assigns and legal representatives, without charge or deduction of any kind, one-half of all the gross damages, judgments, license fees and royalties recovered or secured by the Searchlight Horn Co. from past and future infringers or from future licensees immediately upon receipt of such damages, judgments, license fees or royalties."

Mr. Locke, president of the plaintiff Company, informs us (R. 168) *that none of these notes was ever paid.* That being the case, the present plaintiff

got this very valuable patent *for nothing;* a patent which we are asked to believe the whole world had waited years for in vain, and immediately popularized as soon as it appeared!

When seeking to excuse delay in proceeding against alleged infringers, Krabbe says (R. 104-5):

> "After the United States Horn Company was formed that company notified the various infringing manufacturers and requested them to stop their infringement, but *so many concerns were making the infringing horns that they all said that we would have to go to the courts before any particular one would stop making the horn.*
>
> "Q. 82. What was your financial condition during the period when you owned the patent in suit?
>
> "A. I had no cash, my money was tied up in vacant property. For that reason I got Mr. William H. Locke, Jr., interested and we formed the United States Horn Company.
>
> "Q. 83. What was the financial condition of the United States Horn Company during the period it was the owner of the patent in suit?
>
> "A. Mr. Locke contributed some *considerable sum of money which the company needed for the manufacture of its horns.* We quickly used up all the money that we had in making horns and in trying to sell them. We found it impossible, however, to compete against the infringing sale of horns made in enormous quantities by the big horn manufacturers. When we notified these manufacturers to cease infringement they told us to go to court or put us off with one excuse or another. We found that the *expense of litigation against these com-*

> *panies would be enormous* and we were unable to get together the money that would enable us *to commence suit with any fair chance of carrying it through to a conclusion.*"

How absurd for this witness to talk about the expense of a test case as being so "enormous" as not to enable them "to commence suit with any fair chance of carrying it through to a conclusion", particularly when Mr. Locke tells us (R. 149-170-187) that they made and sold from 35,000 to 40,000 or 50,000 Searchlight "parabolic" horns [or *non*-Nielsen], and 3,000 to 4,000 Nielsen horns while they were in business, down to May, 1908 (R. 151). They even brought a suit against a former associate (Senne), which appears to have been compromised.

This is the excuse that Mr. Locke, president of the Searchlight Horn Co., gives for not bringing any suit (R. 149, and following):

> "Neither the United States Horn Company nor the Searchlight Horn Company *had any spare capital other than that was needed immediately for making horns.* Together we made between *35,000 to 40,000 horns.* We met with considerable difficulty in disposing of these horns *because of the widespread infringement* carried by so many big companies. We tried to get a footing on the market by introducing a slight modification into the horn, but it was not successful as all of the horns were practically the same, all of them being built along the lines of the Nielsen horn. We were unable to make substantial progress in our business and when the talking-machine companies themselves adopted the flower horn as part of their equip-

ment, such action on their part destroyed the market for independent horns and we were therefore forced out of business. Up to that time we had no *spare money* that would *justify us in going into litigation* with the big companies that were infringing our patent. *We consulted attorneys* and they told us it would cost a great many thousands of dollars to fight a suit through to the finish because the great manufacturing companies were very powerful and would oppose us in every way. We made efforts to get money together for this purpose, but were not successful. We also made efforts to persuade some of these big horn manufacturers to take licenses or to enter into some arrangement by which the horn could be made under the patent. No one company was ready to act in advance of the others and the infringement was too widespread to permit of our succeeding with our negotiations. As a result we were unable to do anything in the way of litigation, except that we did being a suit against Camillus Senne and Peter E. Peterson, doing business under the name of Nova Phonograph Horn Co. This suit was brought by the United States Horn Company in the United States Circuit Court, Southern District of New York, early in 1905. Associated with Peterson and Senne in the Nova Phonograph Horn business was Andrew Andreasen who had formerly been employed as a salesman by Nielsen. Senne and Peterson were making the same kind of a metal horn that Nielsen and the United States Horn Company were making. *They were making this metal horn before the Nielsen patent issued and declined to stop making the same,* but after the patent had issued they allowed judgment to go against them in the suit that we brought and stopped making the metal horn. Afterwards they made a *horn of paper in accordance* with a patent granted to Senne."

The general circular issued in November, 1906, by the plaintiff and already referred to (R. 49-50) charging infringement of the Villy Reissue and of the Nielsen Patent in suit, said in part:

> "If after the knowledge of these facts you consider it prudent to buy 'Flower Horns' other than the 'Searchlight' *do not hold us blameworthy if trouble ensues, as we have been obliged to place the patents in the hands of our attorney with instructions to take steps to protect our rights thereunder;* and remember, please, that we make the best horn in the market, and sell it at a fair price.
>
> Very truly yours,
>
> SEARCHLIGHT HORN COMPANY".

(The "Searchlight" horn, of course, was the "Parabolic" illustrated on the letter of Plaintiff reproduced at the back of this Brief.)

Mr. Locke says (R. 152):

> "It was late in 1909, when we realized that we could do nothing by negotiation with the phonograph or talking-machine companies and that it would be necessary to bring suit if we were going to get anything out of our patent. *I interviewed a number of attorneys and endeavored to secure the services of a patent lawyer,* but by reason of the fact that the Searchlight Horn Company was largely in debt and was in financial trouble, I was unable for a long time to secure an attorney. I was told in each case that it would take a great deal of money to fight these big talking-machine companies and the Searchlight Horn Company was without means to engage in so expensive a litigation."

(May we ask what has become of Mr. Locke's Patent Attorney, Mr. Burnham C. Stickney, referred to by him at R. 148, or their attorney mentioned in their circular letter of Nov. 1906, who had been "instructed" to "take steps to protect" their rights. Litigation could have been no more expensive to plaintiff in 1906-7-8 in its home town than years later on the Pacific Coast.)

Continuing, Mr. Locke says (R. 152-3):

> "In April, 1910, I was introduced to Mr. John H. Miller, an attorney of San Francisco, then in New York, by a mutual friend. He agreed to make a thorough investigation of the matter and if after such investigation he considered the Searchlight Horn Company had a good case he would undertake the suit. Mr. Miller did make an extensive investigation and at various times witnessed actual demonstrations and experiments with various styles of horns. All this took considerable time. Mr. Miller then returned to San Francisco and early in 1911, commenced an action against Sherman Clay & Co. in the United States District Court, Northern District of California, Second Division."

Quaere: (1) Is this a "charity suit"?

(2) Did Mr. Locke fail to tell the truth when he pleaded financial stringency?

(3) Is this a speculative suit?

Ordinarily these matters might be unimportant but they are very important here where the plaintiff, taking advantage of its own "sins of omission and commission", seeks to extort from this defendant a sum in excess of *half of a million of dollars* by way of alleged damage money.

We verily believe that this is a "speculative suit" pure and simple, and that it is not a "charity suit".

We have in Messrs. Krabbe's and Locke's statements above, a clear instance of inexcusable inaction with full knowledge of all the facts extending over a period from 1904 to 1911, seven years before bringing *any* suit whatsoever and NINE years before suing *this* defendant.

Thirty-five thousand to forty (or fifty) thousand horns sold in the couple of years from 1906 to 1908 meant a very considerable volume of business. Krabbe says (R. 86) that Nielsen told him he charged $2.50 or $3.50 per horn. Merritt and Locke, two other witnesses for the plaintiff, each say that when the talking machine companies put on the Flower Horns they added $2.50 to $7.50 to cover the horn (R. 123 and R. 145).

If we assume that $5.00 a horn is a fair average, 40,000 horns would be $200,000.00 worth of business. Strange that while the plaintiff was doing this large

volume of business and in the very hey-day of the horn business and with infringements going on on every hand and under the immediate eyes of the plaintiff and in its immediate locality, it waits for two years after it has gone out of business and is supposedly "broke" before it engages counsel to protect its rights. It waits another year before it brings an action at law against a dealer (Sherman, Clay & Co.) remote from the source of all the alleged infringements, and then it waits two years longer until July, 1913, until it brings the present suit against the present defendant in this District, far remote from the home of both the plaintiff and the defendant and their available witnesses.

And this is not the entire indictment against the plaintiff and as indicating the reasons for plaintiff pressing this suit with aggression against this particular defendant, having already abandoned its pursuit of the Sherman Clay Co. (because they are merely distributors here in this territory, on a small scale, of phonographic horns). *The Record shows that the zenith of the horn trade was reached in 1909, or earlier, when the different phonograph companies, the Victor, Edison and Columbia, brought out their "Concealed Horn" type of phonograph.* Mr. Harry T. Leeming, assistant general manager of Thomas A. Edison, Incoporated (R. 199) testifies (D. Q. 8) that the Edison Company brought out

their "Concealed Horns" in 1909, but had been preceeded by the other companies (D. Q. 12), and that the proportion of sales of phonographs with "Concealed Horn" construction was at the present time (1913) *ninety-nine* per cent (99%) of the total output (D. Q. 6).

Mr. Albert C. Ireton, sales manager of Thomas A. Edison, Incorporated, testifies (R. 202, D. Q. 4) that practically all of the talking machines made and sold by his company were of the "Concealed Horn" type; that the other companies, including the present defendant, were making and selling the "Concealed Horn" type of machines *for some time previous to 1909* when the Edison Company first put such machines out.

Mr. John Kaiser, a phonograph expert, testifying Sept. 18, 1913 (R. 438, p. 463) stated:

> "At the present date the demand of the public is for what is known as the *Hornless* machine. To my knowledge a machine *equipped with a Horn* to-day similar to the outfit sold 4 or 5 years ago is absolutely unsaleable."

Mr. Wm. E. Parker, designing engineer for the American Graphophone Co. (The Columbia Co., appellant), testifying on Oct. 9, 1913 (R. 655, p. 670), stated that:

> "The tendency is entirely towards the concealed type of Horn built in the cabinet and not exposed."

Mr. Wm. A. Lawrence, president of the Standard Metal Mfg. Co., manufacturers of metal horns since 1902, testifies to the same effect (R. 630, p. 652), and illustrates the policy of talking machine manufacturers of that date, Sept. 1913, by the issue of the Talking Machine World, September 15, 1913, pages 8, 9 and 43, introduced in evidence and marked "Defendant's Exhibit Illustration and Description of Edison Phonographs, September 15, 1913, Frank C. Demarest, Examiner."

Mr. Locke would have us believe that the plaintiff went out of business in 1908 *because of* ruinous competition in the Flower Horns. He would also attempt to give the idea that because horns known as the "Flower Horns," or horns in the *shape* of a flower, had become popular at that time with all,—therefore the popularity of such flower-shaped horns was evidence of patentability in favor of *Nielsen;* whereas, as a matter of fact, the plaintiff itself manufactured only about 3,000 *Nielsen* Flower Horns but made some 40,000 of the parabolic Bell Horns, a horn in the *shape of a flower,* and sometimes *called* a "Flower Horn", and which Locke claimed was greatly superior to the *Nielsen* Flower Horn; and plaintiff has never claimed that said "parabolic" horn was covered by the Nielsen Patent. There are many good reasons, more probable than those given by Mr. Locke, for the suspending of the horn business of the plaintiff in 1908. For example:

1. The old brass horns were always better.

2. The numerous sectional *wooden* Flower-shaped Horns (which were not infringements of Nielsen) were lighter and more graceful and gave better tones than the metal horns; and had a *large vogue* during that period. For extensive litigation on wooden horns, see:

Kaiser v. Bortel, 162 Fed. 902;
Excelsior v. Scheip, 173 Fed. 312;
Excelsior v. Scheip, 180 Fed. 980;
Excelsior v. Bortel, 190 Fed. 10;
Excelsior v. Bortel, 200 Fed. 1022.

3. Tardy recognition of the fact that the parabolic horn was even poorer than the Nielsen Flower Horn (and other horns on the market), and that if plaintiffs had stuck to the Nielsen Horn they might have made a great success instead of a confessed failure.
4. The advent of the hornless machine.
5. In all probability, poor business management.

While the motive of the plaintiff for its quitting business in 1908 may be more or less conjectural and unimportant; it may likewise be unimportant whether or not during *all* the years of inaction the plaintiff had a valid cause of action against many defendants; but there can be no question as to the motive of *this* suit and particularly against *this* defendant.

The Columbia Graphophone Co., appellant, charges that this suit is a speculative suit pure and simple. This motive has been finally revealed in all its iniquity in a Motion and Affidavit on behalf of the plaintiff *filed after the cause was submitted and de-*

cided in the lower Court and after Appeal was taken and allowed, said Motion being to vacate the Order Suspending and Staying Proceedings on Appeal and to allow the plaintiff-appellee to proceed with the taking of the Accounting notwithstanding the pendency of the Appeal, or in default thereof to increase the amount of the bond to the sum of *half a million dollars* ($500,000.00! In support of that Motion, counsel for the plaintiff submitted to the lower Court an affidavit (R. —) in which he said:

> "Recently I caused an estimate to be made by competent parties in the East for the purpose of ascertaining approximately the number of infringing horns sold by the Columbia Graphophone Company and which would be subject to the accounting in this case. I have received written advices from these parties in the East who report to me that a careful investigation indicates with a reasonable degree of certainty that *the Columbia Graphophone Company has sold approximately one million one hundred thousand (1,100,000) of such infringing horns and for which they will be liable on the accounting.* While this statement is only an estimate, nevertheless, I am informed that it is based upon reasonably reliable information, and I believe that it is approximately correct. In the Sherman Clay & Company law action, the jury estimated the damages on the basis of fifty cents per horn, and in several licenses which the Searchlight Horn Company has issued since this litigation commenced a royalty of thirty-five cents per horn has been charged and paid. *Upon the accounting herein I shall demand by way of damages fifty cents per horn,* so far as the horns themselves are concerned, *together with additional items of damages caused by the*

infringement which have not yet been definitely fixed and which I shall shortly endeavor to fix and put in such shape as to present the matter before the Master.

"As regards the profits of the defendant which will have to be accounted for, that I propose to prove by an examination of the books of the defendant. In view of these facts it is apparent that the bond for $1,000.00, given by the defendant to suspend and stay all further proceedings in this Court until the determination of the appeal from the Interlocutory decree, is wholly and utterly insufficient if its effect is to suspend the accounting. In order to justify the Court in an order suspending the accounting pending this appeal, I claim that a bond in the sum of no less than $500,000.00 should be required."

The lower court, seeing through the scheme of the plaintiff, *denied* the motion on the appellant's furnishing a bond in the sum of $5,000.00 to conform with the bond in the companion Pacific Co. case.

The plaintiff thereupon brought another motion (R. —) in violation of the well-established procedure in this Court, to set aside the supersedeas granted the appellant at the time the appeal was allowed, and to permit the plaintiff to proceed forthwith to an accounting, despite the appeal. The *purpose,* of course (coming as the second motion did, close on the affidavit above), was to endeavor to stampede the defendant into a settlement; in short, to extort a settlement. That second motion also was *denied.*

The situation is thus presented: Your Honors have before you a patent issued in 1904; plaintiff and its predecessors were in the horn business; they admit that they were fully advised as to the value of the patent, and knew of the presence of numerous infringers in the field from the very start. While they claim that they sent out general notices to the trade in 1906 that the Nielsen *and* VILLY Patents were being infringed by "various manufacturers" (mentioning no names), *there is nothing in the Record* to connect the present defendant with these notices; that the various phonograph companies, including the Columbia Graphophone Company, defendant, began putting out *"Hornless"* machines at least as early as 1909; that the trade in horn-machines today, and for several years last past and for some years before this suit was filed, is, and has been, very much on the wane compared with the Hornless machines; that this suit was brought July 26, 1913, nine years after the patent in suit was issued, and now, today, *plaintiff would use the processes of this Court to compel an Accounting which, according to plaintiff's own figures, would yield it $550,000 from this defendant alone.* Could anything more iniquitous or ruinous be conceived.

This defendant had been lulled into security and into making investments by reasons of the conduct of the plaintiff in its delay in bringing any test suit to trial. Defendant believed, until this suit was brought, that if plaintiff ever claimed any alleged

cause of action against defendant, such alleged rights were worthless and had been abandoned. The relation of the defendant to the claimed right of plaintiff has been such as to render it inequitable to permit plaintiff now to assert its alleged rights. A leading case on this subject of Laches and Estoppel is

Princes Metallic Paint Co. vs. Prince Mfg. Co., 57 Fed. 938, C. C. A. 3rd Circuit,

the Court saying, at page 944:

> "In courts of equity the rule is to withhold relief where there has been unreasonable delay in prosecuting a claim, or long acquiescence in the assertion of adverse rights. Creath's Adm'r. v. Sims, 5 How. 192; Godden v. Kimmell, 99 U. S. 201; Lansdale v. Smith, 106 U. S. 391, 1 Sup. Ct. Rep. 350. Again and again has it been judicially declared that nothing can call into activity a court of equity but 'conscience, good faith and reasonable diligence'. McKnight v. Taylor, 1 How. 161; Sullivan v. Railroad Co., 94 U. S. 806, 812. In McLaughlin v. Railway Co., 21 Fed. Rep. 574, Judge Brewer held a bill for the infringement of a patent alleging the unauthorized use and construction of a patented invention for 13 years, without stating an excuse for the plaintiff's delay in suing, to be demurrable. Laches for even less than the statutory period of limitations, aided by other circumstances, will bar a right. Ashhurst's Appeal, 60 Pa. St. 290, per Strong, J. In Lewis v. Chapman, 3 Beav. 133, the master of the rolls refused an injunction to restrain the infringement of a copyright solely on the ground of six and a half years' delay, where there was knowledge of the commencement and prosecu-

tion of the defendant's publication. Long acquiescence before filing a bill for an injunction, with full knowledge of the infringement, is deemed laches equivalent to a breach of good faith. Browne, Trade-Marks, Sec. 497. Hence, in Manufacturing Co. v. Garner, 55 Barb. 151, a delay of nine years in applying for an injunction to restrain infringement of a trade-mark was held to be good cause for refusing it.

"Having regard to the whole case, viewed from every standpoint, our conclusion is that the plaintiff has not shown itself to be entitled to the interposition of a court of equity, and accordingly the decree of dismissal is affirmed."

While that was a *Trade Mark* case, yet it has been frequently cited with approval on the subject in patent cases where the defense of Laches is raised.

In Lane & Bodsley Co. vs. Locke, a patent case, 150 U. S. 193, 37 L. Ed. 1049, Mr. Justice Shiras in commenting on the evidence in that case, quoted from the testimony of the patentee as follows:

"'I did not regard it as either right or prudent to have other than amicable relations with them so long as they had not actually refused to comply with the agreement of April, 1875. I did not write to them so as to bring up the issue, as I had neither the time nor the means at my command to enforce any rights in case of the refusal to comply with their agreement at that time.' * * *

"Courts of equity, it has often been said, will not assist one who has slept upon his rights, and shows no excuse for his laches in asserting them. The plaintiff's excuse, in this instance, that he preferred, for "prudential reasons" to forego bringing suit, was no excuse.

As far as the record in the case at bar shows, the relations between the plaintiff and defendant during all the years and up to the bringing of the suit were "amicable", and there is nothing to show any refusal at any time by this defendant to deal other than fairly by the plaintiff.

See also:

Brown & Sharp Mfg. Co. vs. Coats Clipper Co., 195 Fed. 84, 87 (affirmed 200 Fed. 149)—

where it was held that the laches of the plaintiff was a bar to any relief under the Bill, upon the showing that many years before suit was brought the defendant had commenced to put upon the market clippers like unto the patent, and since that time these clippers had been openly sold by the defendant and by the trade, and had been shown by cuts and described in catalogues and circulars distributed to the trade.

In a case which almost reads on the one at bar, the Court said:

> "* * * *at the same time there was a general use of this device by manufacturers of musical instruments, who placed the same upon the market in competition with the owners of the patent, and this complainant permitted them to do so, and remained silent until vast sums of money were expended in plants, and many million dollars' worth of these instruments were sold, and now, within four years of the expiration of this patent, it is sought to restrain this defendant from its use. It is true that mere delay in bringing suit for an infringement of a patent*

will not prevent the owner thereof from obtaining relief in a court of equity when the infringement has been persisted in with knowledge of the existence of the patent, and no acts of commission or omission on the part of the patentee to encourage its use; yet where the complainant itself has infringed the patent prior to acquiring ownership therein, and for 12 years the general public used it in competition with the owners, who failed to mark the device as required by law, or to give notice of the patent, thereby permitting and encouraging the investment of vast sums of money and the sale of many millions dollars' worth of instrument, it seems to me that it would be inequitable to restrain the use of this device at this late day. Saxlehner v. Eisner, 179 U. S. 19, 21 Sup. Ct. 7, 45 L. Ed. 60; McLaughlin v. Railway Co. (C. C.) 21 Fed. 574; Woodmansee & Hewitt v. Williams, 68 Fed. 489, 15 C. C. A. 520; Meyrowitz v. Eccleston (C. C.) 98 Fed. 437; Edison E. L. Co. v. Ass. Soc. (C. C.) 55 Fed. 478; Sarrett v. Athol Co. (C. C.) 96 Fed. 244."

Wilcox & White Co. vs. Farrand Organ Co., 139 Fed. 46, 48.

It is essential for this Court to keep clearly before it the fact that the Villy Patent of 1903 was issued considerably prior to the Nielsen Patent, and afforded to the various alleged infringers of the Nielsen Patent (in 1906 and earlier) a reasonable justification for their assumption that the Nielsen Patent is *invalid*, —this opinion being still further strengthened by the Reissuing of the VILLY Patent with its broad Claims 8 and 11. The failure of the plaintiff to even bring suit on the Nielsen Patent is strong evidence

that plaintiff concurred in that view. Certainly the plaintiff did not show itself to be "prompt, eager and ready" in the enforcement of its rights.

> "The acquiescence of the former owners of the patent has in equity the same effect upon complainant's rights as its own subsequent neglect."
>
> Woodmanse & Hewitt Mfg. Co. vs. Williams, 68 Fed. 489.

This latter case, decided by TAFT, LURTON and HAMMOND, J. J. (Sixth C. C. A.) is illuminating on this subject. To quote from that case:

> "Now, if it be conceded that the patents owned by complainant were not anticipated by either the Bignell patent or any of the others claimed as anticipations, a point by no means clear, and that the brake made and sold with the defendants' mills does infringe both or either of the complainant's patents, we then have a case where suit has been delayed against an infringer openly and publicly engaged in selling a rival and competitive mill to that made and sold by complainant and its assignors for a period of 14 years after issuance of the Anderson patent, and of about 11 years after the Woodmanse and Lebkicker improvement. * * *
>
> "Since 1876 Woodmanse has been engaged in the same kind of business, and has been interested in the successive firms and corporations controlling both the Anderson and Woodmanse patents. The complainant does not pretend that it or its predecessors were ignorant of the alleged infringement. No such excuse is offered. Indeed it is not within the range of probability that two rival concerns engaged in selling competitive windmills in the same section of the Union could have been ignorant of the fact that

the mills of each contained substantially the same brake mechanism. Neither does it appear that the complainant was involved in other litigation with other infringers, which might to some extent explain its conduct in standing by and acquiescing in the alleged infringement * * *.

"*In the meantime the defendants and their predecessors in the business, under claim of right, have been suffered to go on and build up their business and push their mills into common use without any notice whatever from complainant or its assigns of a claim that they were infringing.* It is no answer to say that the complainant corporation was only organized a few years before suit was brought. Its predecessors in the ownership of the patent were also its predecessors in the business it is now carrying on in the making and selling of windmills embodying the brake covered by its patents. The complainant took these patents by assignment from assignors who had for years been guilty of negligence in the assertion of their alleged monopoly. *The acquiescence of the former owners of the patent has in equity the same effect upon complainant's rights as its own subsequent neglect.* Rob. Pat. Sec. 1194; Spring v. Sewing Mach. Co., 4 Ban. & A. 427, Fed. Cas. No. 13258. In McClurg v. Kingsland, 1 How. 205, the plaintiff was the assignee of Harley, the patentee. * * *

"The ground upon which a court of equity will take cognizance of a suit for an infringement of a patent is the relief through an injunction. *There is nothing so peculiar to a suit for damages and profits for infringement of a patent* as will, independently of some recognized ground of equitable jurisdiction, justify a court of chancery in assuming jurisdiction. It must appear that the legal remedy at law is inade-

quate, and if the case is one in which the equitable relief by injunction is inappropriate, as where the patent has expired, or where the circumstances are such as to justify a court in refusing equitable relief, the suit will not be entertained for the mere purpose of an account of past damages and profits. Root v. Railway Co., 105 U. S. 189; McLaughlin v. Railway Co., 21 Fed. 574; Clark v. Wooster, 119 U. S. 325, 7 Sup. Ct. 217. * * *

"Reasonable diligence as well as good faith are necessary to call into operation the powers of a court of equity. Maxwell v. Kennedy, 8 How. 222. One who invokes the protection of equity must be 'prompt, eager, and ready', in the enforcement of his rights. It was well observed by Judge Coxe, in Kittle v. Hall, 29 Fed. 511, that 'time passes, memory fails, witnesses die, proof is lost, and the rights of individuals and of the public interfere. Long acquiescence and laches can only be excused by proof showing excusable ignorance, or positive inability to proceed on the part of the complainant, or that he is the victim of fraud or concealment on the part of others'. He adds 'that the court will not entertain a case when it appears that the complainant, or those to whose rights he has succeeded, have acquiesced for a long term of years in the infringement of the exclusive right conferred by the patent, or have delayed, without legal excuse, the prosecution of those who have openly violated it'. These general principles find ample support in many cases, only a few of which need be cited: Piatt v. Vattier, 9 Pet. 416; Maxwell v. Kennedy, 8 How. 221, 222: Leggett v. Oil Co., 149 U. S. 288-294, 13 Sup. Ct. 902; McLaughlin v. Railway Co., 21 Fed. 574; Speidell v. Henrici, 15 Fed. 753; The Walter M. Fleming, 9 Fed. 474; Lewis v. Chapman, 3 Beav. 133. That this doctrine of courts of

equity requiring reasonable diligence as a condition precedent to the exercise of its discretionary powers is applicable in patent cases is manifest from a consideration of the nature of the relief sought against an infringer. *Equity will not entertain a suit merely involving an ascertainment of damages and profits.* This question was elaborately considered and expressly decided in Root v. Railway Co., heretofore cited. Equitable jurisdiction in patent cases is therefore subject to the general principles of equity jurisprudence, and the power to grant injunctions in such cases, according to the provisions of section 4921, Rev. St. must be 'according to the course and principles of courts of equity, to prevent the violations of any rights secured by a patent, upon such terms as the court may deem reasonable.' That inexcusable laches of the complainant is a sound reason for non-interference on the part of a court of equity was expressly decided in McLaughlin v. Railway Co., heretofore cited; the opinion being by Circuit Judge Brewer, now Justice Brewer. In that case a delay of 13 years was held ground for dismissing the bill upon a demurrer. In Lane & Bodley Co. v. Locke, 150 U. S. 193, 14 Sup. Ct. 78, the Supreme Court held that a delay of 12 years was a bar to any relief in equity against an infringer. Justice Shiras, who delivered the opinion of the court, saying:

> "'Courts of equity, it has often been said, will not assist one who has slept on his rights, and shows no excuse for his laches in asserting them.'

"Neither is it important that the defense of laches was not formally set up in the answer. Laches is a defense which may be made by demurrer, or by answer, or presented by argument, either upon a preliminary or final hearing. Maxwell v. Kennedy, 8 How. 222, Walk.

Pat. Sec. 597; Curt. Pat. Sec. 440; McLaughlin v. Railway Co., 21 Fed. 574."

In applying the above to the case at bar read "Villy Patent" and "French Patent to Turpin" in place of Bignell.

While the delay in the case at bar was 9 years (instead of 11 years, as in the Woodmanse case), it was under even more aggravated circumstances as has been pointed out.

Then, again, in a recent case of Hall vs. Frank, 195 Fed. 946-952, Judge Chatfield remarked:

> "Some attempt was made to show that the *complainant had warned the defendants* and that he (the complainant) had been prevented from bringing suit by the actions of a part owner or partner in his patent.
>
> "This defense of laches would seem to be of itself sufficient, as no valid excuse has been presented by the complainant to justify his *delay from 1900 to 1909* before bringing action. The statement that his partner was unwilling to bring suit, and that he did not succeed in buying out this partner until just before the action was started, may be an exact statement of what occurred: but *the court could not allow the patentee to sleep on his rights for nine years, in the face of a large commercial use of the alleged infringement, in a case where considerable doubt appears both as to the validity of the patent and as to the fact of infringement*, and then accept, as an excuse for this delay, the statement that one of the owners of the patent had been ready to acquiesce in the alleged infringing use during the entire period, and that the

other, who finally brings suit, had not been able to buy him out. This may be the actual reason why suit was not brought earlier, but it does not remove the responsibilities for not bringing the suit, if any have been incurred."

The following from A. R. Mosler & Co. vs. Lurie, 200 Fed. 437-439, is apt:

"Then comes along an ex-infringer (on its own theory), who has bought the rights under this and another patent, and *asks a court of equity to fill its treasury with license fees and damage money.* It is no excuse that complainant obtained its title only in 1909. Its claim is affected by the laches and the want of equity of its assignors.

"The defense of laches is not tested by time alone. Lapse of time may be well explained, but, on the other hand, even a comparatively short time may constitute laches when the *conduct of the slothful is such as to induce others, in good faith, to expend money and take the risks of enterprise.*

"I think *this defendant, and the manufacturers of the goods in question, have acted in good faith, in the belief that the patent was of no, or, in any event, doubtful, validity, and they were justified in that belief by the inertia of the assignees of this patent, which non-action was strongly suggestive of lack of confidence in the validity of the patent.*

"The court would go a long distance to protect the inventor, who is ahead of his times, and who, unable to interest capital, finds that some one has stolen the fruits of his genius. But that is not this case. This case falls rather within the principles stated by Judge Coxe in Richardson v. Osborne (C. C.) 82 Fed. 95, affirmed 93 Fed. 828, 36 C. C. A. 610."

As said above: "The defense of laches is not tested by time alone."

The foregoing was quoted with approval by Judge Killitts in

> General Elec. Co. vs. Yost Co., 208 Fed. 719, 723.

See also Kittle vs. Hall, 29 Fed. 511:

To quote from one more case:

> Richardson vs. Osborne Co., 93 Fed. 828, C. C. A. 2nd Circuit,

where Judge Shipman said, in denying relief to a patent owner who witnessed the extensive and increasing manufacture and sale of an alleged infringing machine without taking any effective steps to enforce his rights, although he was in the same line of business as defendant, and notices charging infringement were sent to manufacturers, including the defendant therein, and although a suit was started against one alleged infringer, the outcome of which was as vague and shadowy as that of the suit by the Searchlight Horn Co. vs. Nova Phonograph Co. (Senne) (R. 150) at page 829:

> "The particular business of the complainant was the introduction of farm machines into active work upon the farm, and *he must have been perfectly familiar with the mechanism and the extent of the use of the Appleby binder.* He regarded the *infringement as a palpable one*, and, as the *use was universal, he thought that*

practically all the binders and harvesters made in the country between 1879 and 1893 *infringed the Flower patent.* * * *

"The defendants say that the owners of the patent were practically silent, permitted this expenditure to go on without interference or any adequate assertion of their alleged rights, and that the suit was barred by their inexcusable laches.

"The record shows that nothing was done in the way of litigation, or active attempts to push either the patent or their claims, until May, 1890. * * * They (the plaintiff and his associates) were not poor and were not rich, but not only discouraged any litigation, but refused to participate in the expenses of an investigation as to the validity of the patent. Meantime, no efficient or active representations were made to the harvester companies of their infringement. *The complainant says that he sent notices to the manufacturers, and, among others, to the defendant corporation, in the latter part of 1883, and met the president* in Lake City by appointment in January, 1884. He says: 'We had some conversation. He asked what our claim was. He was told that it was the combination. We talked together perhaps fifteen minutes, pleasantly.' This was the extent of the manifestation to the defendant of the complainant's claim of right to a part of the Appleby machine, which was *being made by the thousands.* In May, 1890, *an action at law was brought against the Minneapolis Harvester Works, which was compromised before trial,* in September, 1891, by the payment of money and a release by the complainant. He did not tell how much money was paid, or whether it was in recognition of the validity of the patent. *For aught that appears, all that the defendant did was to pay a trifling sum to be freed from*

a lawsuit. No other proceeding was instituted until the present suit. The only thing which can be, during the entire history of the invention, characterized as an active exercise of ownership was the Minneapolis suit, and its *outcome is so vague and shadowy,* that it cannot be told whether it was a successful or an abandoned attempt to sustain the patent. The continued refusal or neglect of the joint owners to impart life to it was so manifest that *a court cannot look with favor upon the present attempt to gain money from manufacturers who invested in the effort to supply the demand* for Appleby machines, *under the belief that it infringed no patent,—a belief which the conduct of the owners of the Fowler patent encouraged.* All the adjudged cases in regard to laches proceed upon the inequitable conduct of the complainant, and the inequity which would result if the stale claim was permitted to be enforced, and the judgments adverse to the claimant are founded upon the fact that the party to whom laches is imputed has all the time '*knowledge of his rights, and an ample opportunity to establish them in the proper forum; that, by reason of his delay, the adverse party has good reason to believe that the alleged rights are worthless or have been abandoned; and that, because of the change in condition or relations during this period of delay, it would be an injustice to the latter to permit him to now assert them.*' A further reference to decided cases is unnecessary, as Judge Coxe has cited many of them in his opinion (82 Fed. 95)."

Other cases relating to laches as a bar to accounting or other final relief in patent infringement suits are the following:

Imperial Chemical Manufacturing Co. vs. Stein, 69 Fed. 616;

Richardson vs. Osborne Co., 82 Fed. 95;

Starrett vs. J. Stevens A. & T. Co., 96 Fed. 244;

Meyrowitz Mfg. Co. vs. Eccleston et al., 98 Fed. 437;

Westinghouse Air Brake Co. vs. New York Air Brake Co., 111 Fed. 741;

National Cash Register Co. vs. Union Computing Machine Co., 143 Fed. 342;

Germer Stove Co. vs. Twentieth Century Heating & Ventilating Co., 157 Fed. 842;

Safety Car H. & L. Co. vs. Consolidated Car Heating Co., 160 Fed. 476;

Safety Car H. & L. Co. vs. Consolidated Car Heating Co., 174 Fed. 658;

Fitchtel et al. vs. Barthel, 173 Fed. 489;

Browne & Sharp Mfg. Co. vs. Coates Clipper Mfg. Co., 195 Fed. 84.

THE ACCOUNTING IS UNDENIABLY THE CHIEF OBJECTIVE OF THE PRESENT SUIT.

In a most liberal view of the case the plaintiff herein would be entitled only to an injunction against future infringement, but its accounting must be limited to the time subsequent to the commencement of this suit.

Judge Sanborn, speaking for the Circuit Court of Appeals for the 8th Circuit, in

Layton Pure Food Co. vs. Church & Dwight Co., 182 Fed. 35,

which was a trade mark case, very well expressed the rule:

"The complainant's delay to commence suit for more than *eight years after its knowledge of the infringement,* the frank claim of the predecessor of the defendant in 1898, a claim not at that time clearly baseless, that they had the like right to use the picture of the cow on baking powder that the complainant had on baking soda, the continued use of the picture by that partnership after they received notice in 1900 of the Russ decision, the subsequent succession of the defendant corporation in 1901, the latter's continuous use of this picture and *its sales of millions of packages of baking powder* under it between that time and the filing of the bill in this suit in 1907, *without farther objection or any attempt by the complainant to enforce its rights,* constitute circumstances so extraordinary, *show such* an *acquiescence by the complainant in the defendant's use* of the trade-mark *as was well calculated to lull it into security and render it inequitable to require of the defendant now an accounting* for its sales prior to the date of the filing of the bill. The decree will be modified accordingly so as to limit the accounting to the time subsequent to the filing of the bill when the defendant had full knowledge of the rights of the complainant and of its purpose to enforce them. When a court of equity finds that *during the delay of one of the parties their position has so changed in reliance thereon* that

the equitable relief which that party seeks cannot be granted without doing injustice, it will not exert its powers to save him from the consequences of his own neglect. McLean v. Fleming, 96 U. S. 245, 257, 258, 24 L. Ed. 828; Menendez v. Holt, 128 U. S. 514, 523, 524, 9 Sup. Ct. 143, 32 L. Ed. 526; Edward & John Burke v. Bishop (C. C.), 175 Fed. 167, 175; Wolf Bros. & Co. v. Hamilton Brown Shoe Co., 91 C. C. A. 363, 368, 165 Fed. 413, 418; Manhattan Medicine Co. v. Wood, 16 Fed. Cas. 605, No. 9,026; Cahn v. Gottschalk (Com. Pl.) 2 N. Y. Supp. 13, 18; Low v. Fels, 35 Fed. 361, 362; N. K. Fairbanks Co. v. Luckel, King & Cake Soap Co., 116 Fed. 332, 54 C. C. A. 204; Worcester Brewing Corp. v. Rueter & Co., 157 Fed. 217, 84 C. C. A. 665."

The foregoing case was cited with approval in a recent case:

Closz & Howard Mfg. Co. vs. J. I. Case Threshing Mch. Co., 216 Fed. 937:

"It is very evident that one of two things is true: The *plaintiff either thought that the Martien improvement was of no value,* and its failure to mark the sieves with the date of the patent would indicate this, *or there was a deliberate purpose on the part of the plaintiff to allow the defendant to continue the manufacture of these sieves in great quantities in ignorance of the plaintiff's claim, and then, after a large amount of damages and profits had accumulated, to bring suit therefor.* The statement of Closz, as an excuse for his delay, that he knew that the Case Company was responsible, and the fact that when the plaintiff did give notice the six-year statute of limitations upon its claim for damages was within two

months of expiring, would indicate the truth of the latter hypothesis. Under the circumstances of this case, the plaintiff is clearly not entitled to an accounting for profits or damages prior to April 28, 1909. Layton Pure Food Co. v. Church & Dwight Co., 182 Fed. 35, 104 C. C. A. 475, 32 L. R. A. (N. S.) 274. (8th Circuit.)"

In Mosler & Co. vs. Lurie, *supra,* on appeal, reported in 209 Fed. 364, Judge Lacombe for the Second Circuit, C. C. A., said:

"Infringement began in 1901 and was continuous thereafter by various manufacturers. One company sold 50,000 of one type between 1901 and 1904, and, though no specific figures are given of sales of other infringing types, there is evidence that such were sold in large quantities on the open market and were well known to the automobile trade. * * * There have been cases where all relief has been refused to patent owners who were negligent about enforcing their rights for a long period of time. Richardson v. Osborne (C. C.) 82 Fed. 95, affirmed by this court 93 Fed. 826, 36 C. C. A. 610. These cases have been such as presented 'unusual conditions or extraordinary circumstances'; usually with knowledge of infringement the owner of the patent has stood by and, without objection or warning, has allowed the infringer to invest his money in a plant for manufacturing infringing devices. * * * The infringement was not an act done in a corner; * * *

"Where owners have remained thus supine for many years, shutting their eyes to what was going on in the art to which the patent belonged, and thus leading defendants and others to suppose that they intended to make no claim that their patent dominated a portion of that

art, it seems to us inequitable that they should come at this late day and insist on being granted an accounting for damages and profits during their long period of inaction.

"The decree is reversed, with half costs of this appeal, and cause is remanded, with instructions to decree in favor of complainant on the first claim, with *an injunction, but without any accounting for profits or damages,* and one-half costs to complainants."

Another interesting case, showing that the plaintiff at bar is precluded in any event from recovering damages, is Owen vs. Ladd, 76 Fed. 992, where Judge Townsend said:

"The complainant, in October, 1883, charged Barnes with infringement. Barnes stated that he had obtained a patent, and that his counsel advised him that his bell did not infringe, and he and his successors continued to manufacture and sell said bells. Complainant admits that the *foregoing statements discouraged* him, and that he never made any further claim under his patent until 1894, at which time said Barnes was dead, the original factory had burned down, and this defendant had succeeded to the business. No excuse has been shown for this long delay. Even if defendant were an infringer, complainant's laches would preclude him from recovering damages."

"The complainant has deliberately chosen not to warn an unconscious infringer, whom he has watched infringing year after year, no doubt hoping thereby to increase the amount of profits ultimately recoverable. This is sharp practice * * *"

Hohorst vs. Hamburg-American Co., 91 Fed. 655-657 C. C. A., Second Circ.

The substance of all these cases is that:

A PATENTEE MAY NOT USE HIS GRANT AS A TRAP TO CATCH GAME.

CONCLUSION.

I

On the question of Validity and Infringement:

(1) The prior litigation on the Nielsen Patent does not in any way render the matter *res judicata* nor *stare decisis* as to this defendant-appellant.

(2) An entirely different record is before the Court now than in the Sherman & Clay case.

(3) The record in this case shows phonograph-horns in the prior art (particularly Villy and Turpin), which were larger at one end than the other and tapered in the usual manner, said horns being composed of longitudinally-arranged strips secured together at their edges, and the outer side thereof at the points where said strips are secured together being provided with longitudinal ribs.

(4) The Villy Patented Horn manufactured and offered to the trade by the *plaintiff* was made of metal.

(5) The Villy metal horn was asserted by the plaintiff itself to be "equal to a lap-seamed horn" in its "amplifying and tone qualities" (R. 184) and

Mr. Locke, president of the plaintiff company, says of the metal Villy Horn (R. 186):

> "I never could see any material difference in the reproduction with the *folding Horn* or with the *regular Flower Horn.*"

(6) Except possibly as to the demand for *enhanced artistic effect,* there was no *want* which the Nielsen Horn filled; in short, the "wants" as far as they affected *tone* (result) or *construction* (means) remained the same after as before the advent of Nielsen:

(A) Villy, in *1903*, had already given us the Flower Horn; so if Nielsen has a broad Claim for Flower Horns, he is anticipated by Villy.

(B) All the advantages of a metal sectional—and—ribbed Flower Horn now brought forward and claimed for *Nielsen,* were during all the years that plaintiff was in business claimed and emphasized for *Villy* metal, sectional Flower Horns.

(C) The *sum total* of the idea of means claimed for Nielsen, by way of novelty, is embodied in Claim 8 of the Villy Reissue.

(D) The construction or "idea of means" of a *sectional* tapered phonograph-horn with "longitudinal ribs" on the outside, can be and is found in the prior patent to Turpin.

(E) The Metal Workers' Pattern Book shows that there was no problem of construction for Nielsen to solve.

(F) The claim of novelty of result (tonal advantages) on behalf of Nielsen is conclusively rebutted by the testimony of Locke, XQ. 108 and 110; Hunter, Hawthorne, Qs. 43, 48, 49 and 50 and X.Q. 352 and X. Q. 412; Kaiser, Qs. 38 and 82; Senne Qs. 61 and 61; Muller Qs. 13 and 14, and Stewart R. D. Q. 197, 208 and 209.

(G) Nielsen's only real problem, if we can call it a problem, was to make in one piece what Villy had made in several pieces and united, so as to be foldable. Putting it in another way, the Nielsen problem was how to make a *collapsible conduit rigid.*

(7) That there is nothing before this Court by way of a *single word of evidence* to show the construction of Defendant's Horns. There is a horn of defendant's in evidence, but no word of explanation concerning its construction, or its acoustical advantages or disadvantages, and the burden has been thrown on the Court to figure out infringement after its own fashion. Infringement is never presumed.

(8) *Furthermore, the neglect to bring suit during a long period of years when this defendant was one of the largest dealers in phonograph-horns located near the plaintiff, is evidence that plaintiff regarded infringement as doubtful.*

> "In this connection it may be added that the complainant for a long time seems to have considered his patent as limited to a 'closed loop.'

> It appears from the testimony that for five years he knew that the defendant corporation was manufacturing and selling a similar device, except that it used an unclosed or partial loop; yet he neither brought suit to establish such infringement, until about a year before his patent expired, when this suit was instituted, nor did he in any other manner claim that the defendant was infringing his rights. It would seem, therefore, as if his conduct was susceptible of but one construction: that he did not consider defendant's device an infringement upon his. The principle adopted in Westinghouse Elec. & Mfg. Co. v. Wagner Elec. Mfg. Co., (C. C.) 129 Fed. 604, should therefore be adopted, and the complainant's claim of infringement be deemed an afterthought, and he himself estopped from asserting it."
>
> M'Gill vs. Whitehead Co., 137 Fed. 97, 99.

The Court can see for itself that the defendant's horns are not of the "butt-seam" construction with "outwardly directed flanges" as shown and described in the Nielsen patent, and claimed in Claim 1 of Nielsen (Claim 1 not being sued on).

See also:

Westinghouse vs. Sutter, 194 Fed. 888;

General Elec. Co. vs. Yost, 208 Fed. 719. Affirmed 213 Fed. 1021.

This Court may not shut its eyes to the fact that the plaintiff, in the view most favorable to it, has acted on an "afterthought."

(9) * * * It appears that very early in the life of the Nielsen patent, and at least as early as 1906.

there was an almost universal denial on the part of the horn manufacturers of validity of the Nielsen patent, and it was the consensus of opinion that the claim of Nielsen to anything but a seam patented horn, or one in which there were "outwardly directed flanges" soldered together, as shown in Fig. 3 of the Nielsen patent, was untenable presumably on the existing state of the art, including Villy. It requires no stretch of the imagination to see the doctrine expressed by the Circuit Court of Appeals for the 2nd Circuit in the recent case of

Victor Talking Machine Co. vs. Thomas Edison Incorporation, 229 Fed. 999,

applied to the Nielsen patent in the light of Villy. In that case Judges Lacombe, Ward and Rogers approved the following language by Judge Hand in the lower Court:

> "They, (defendants) with the rest of the world, were the beneficiaries of that disclosure (the prior art). While the floating sound box was somewhat crudely devised by Berliner (read 'Turpin' & 'Villy'), the pregnant idea became public, and I cannot see how the defendant has borrowed any thing from the plaintiff, except the semi-circular twist in its tube. However, amid the wilderness of words I have tried to find and tread a path of logic, though the simpler way might have been to rest the case upon broader lines.
>
> "The bill is dismissed, with costs."

II

The Defense of Laches and Estoppel.

The patent in suit issued October 4, 1906, and the present Bill was filed July 24, 1913. Nine years of inaction against this defendant, and seven years of inaction against any of the "multitude of infringers" that plaintiff claims were operating in defiance of its patent. Years of inexcusable delay.

Defendant urges that the long acquiescence and laches of plaintiff "can only be excused by proof showing 'excusable ignorance' or 'positive inability to proceed on the part of the complainant' or that 'he was the victim of fraud or concealment on the part of others.' " (Kittle vs. Hall, 29 Fed. 511); considerations which are strikingly missing from the present case.

At the risk of repetition we may briefly summarize some of the more striking points of similarity of plaintiff-appellee's conduct with the conduct of plaintiffs in other cases who have been denied equitable relief under parallel circumstances:

(1) The Searchlight Company and its predecessors induced others, including the present defendant, in good faith to expend money and take the risks of enterprise, and the plaintiff now has the temerity to ask a Court of Equity to fill its treasury with license fees and damage money. (Mosler vs. Lurie, 200 Fed. 437.)

(2) Plaintiff has not shown "conscience, good faith and reasonable diligence." Prince's Co. vs. Prince Co., 57 Fed. 938.

(3) Plaintiff "while not rich was not poor." (Richardson vs. Osborne, 93 Fed. 828.) It is a corporation. The alleged invention was not the product of plaintiff's skill and industry. The Patent cost them nothing (Locke, R. 168, X. Q. 37). It did a big business during the years of the greatest popularity of the Flower-horn trade, probably at the time when most of the alleged infringements occurred. They were fully advised at all times of their legal rights. (See Krabbe and Locke.)

(4) The present case is an attempt to gain money from this Defendant-Appellant who invested in the effort to supply the demand for devices, under the belief that they infringed no patent, a belief which the conduct of the owners of the Nielsen Patent encouraged. (Richardson vs. Osborne, 93 Fed. 828.)

> "The plaintiff either thought that the (Nielsen) improvement was of no value * * * or there was a deliberate purpose on the part of the plaintiff to allow the defendant to continue manufacture (sale) of these (horns) in great quantities in ignorance of the plaintiff's claims, and then after a large amount of damages and profits had accumulated to bring suit therefore."
>
> Closz Co. vs. Case Co., 216 Fed. 937.

(5) The circumstances of this case "show such an acquiescence by the complainant in the defend-

ant's use (of the alleged infringing horns) as was well calculated to lull it into security and render it inequitable to require of the defendant now an accounting for its sales prior to the date of the filing of the Bill."

Layton Pure Food Co. vs. Church & Dwight Co., 182 Fed. 40.

(6) The plaintiff and its predecessors were at all times manufacturers of phonograph Horns.

(7) The defendant was never a manufacturer of phonograph horns.

(8) The defendant was in the open market to buy phonograph horns but it is not shown, nor is it probable that the plaintiff ever sought their trade, nor is it shown, but it is highly probable that if the plaintiff had desired defendant's trade they could have gotten it, provided the defendant had need or use for horns of the Nielsen type.

(9) Whatever defendant did, it did openly. It is impossible to believe that plaintiff and its predecessors were unaware of the existence of the defendant, or of what the defendant was doing. Defendant is one of the three largest phonograph companies in the world, and it must certainly have been known to plaintiff and plaintiff must have known exactly what kind of horns defendant was purchasing from the horn manufacturers and supplying with its machines.

(10) As far as plaintiff's relations to this defendant are disclosed, plaintiff remained silent for a period of nine years, during which time defendant in good faith expanded its business and did many millions of dollars worth of business in phonograph machines and phonograph horns.

(11) *A universal disregard of a patent without any active steps being taken by the patentee to establish its validity is strong evidence of invalidity.*

This is the opposite of "public acquiescence," which often goes so far to prove validity.

> "Acquiescence * * * is a voluntary submission, against interest, to an asserted right. * * * The issuance of a patent is not in itself such an assertion. * * * There is no acquiescence where the monopoly of a patent is constantly invaded. * * * the general resistance of the public to the patentee's demands, though provoking numerous actions in which he is successful is inconsistent with the idea that they regard his patent as valid."
>
> 3 Robinson, Section 1185.

Invalidity is the more to be presumed when public ignorance or invasion of the patent is coupled with supineness of the patent owners in shutting their eyes to what is going on in the art to which the patent belonged and thus leading defendants and others to suppose they intended to make no claim.

See also:

Richardson vs. Osborne Co., supra;
Closz Co. vs. Case Co., supra.

(12) Not only do we think the horn manufacturers of those early days were justified in their opinion that the Nielsen patent was void, but it was the duty of the plaintiff to assert their rights primarily, and not by its failure to act, lead or encourage this defendant to change its position from what it might have been if a different course had been pursued by the plaintiff; a change of position in which the plaintiff expects to profit in the amount of hundreds of thousands of dollars by way of tribute.

> " 'Parties must take the consequences of the position they assume. They are estopped to deny the reality of the state of things which they have made appear to exist, and upon which others have been led to rely.' Swayne, J., Casey v. Galli, 94 U. S. 673, 680, 24 L. Ed. 168.
>
> " 'It is, accordingly, established doctrine that whenever an act is done or statement made by a party, which cannot be contradicted without fraud on his part and injury to others, whose conduct has been influenced by the act or admission, the character of an estoppel will attach to what otherwise would be mere matter of evidence.' Davis, J. Dair v. United States, 16 Wall. 1, 4, 21 L. Ed. 491."
>
> United Printing Machinery Co. v. Cross Paper Feeder Co., 227 Fed. 600, C. C. A. 1st Circuit.

(13) That the zenith of the horn business was reached as early as 1909, or prior thereto, at which time the "hornless" machine made its advent and *about four years before this suit was brought;* that

the horn business, and particularly the business in Flower Horns, had been so much on the wane at the time this suit was brought that the big Companies were doing *scarcely* 1% *of their total business in horn machines;* 99% being of the concealed or hornless construction (R. 199).

(14) It was all the more the duty of the plaintiff to assert its rights, if it had any under the Nielsen patent, when infringements were most rife and at the time when the plaintiff's silence and supineness were encouraging this defendant to fall in with the popular demand for such styles of horns as were selling then, whereas, by proper procedure on the part of plaintiff, the defendant might have had an opportunity to change its style of horns, if it should have proven that they were infringements of Nielsen, and not have been encouraged unwittingly and innocently to incur ruinous liability with which it is now confronted.

(15) That the defendant does face a serious if not ruinous liability brought on, or at least encouraged by the inequitable acts of the plaintiff, is conclusively demonstrated by the affidavit of Counsel for plaintiff filed in the lower Court on January 13, 1916, after this appeal was allowed, and printed in the record herein at pages . Mr. Miller assuming the role of a witness and interested party says (italics ours):

> "A careful investigation indicates with a reasonable degree of certainty that the Colum-

bia Graphophone Co. (Defendant-Appellant) has sold approximately *one million one hundred thousand* (1,100,000) of such infringing horns, and *for which they will be liable on the accounting * * *. Upon the accounting herein I shall demand by way of damages,* 50c *per horn* so far as the horns themselves are concerned, *together with additional items of damage caused by the infringement.*"

Thus, there is suddenly sprung upon this appellant *twelve years after the patent in suit was issued*, the fact that this appellant will be called upon to answer, if the Decree of the lower Court is affirmed, in *a sum in excess of* $550,000.00!

A Court of Equity was never asked before within our knowledge to approve and assist in such an iniquitous scheme for plunder.

(16) In Defendant's opinion this suit is a purely speculative suit—a suit of attempted extortion.

(17) The conduct and course of dealing pursued by the plaintiff should in our opinion bar the plaintiff from any relief whatsoever either by way of injunction or accounting. If your Honors however decide that the patent is valid and that it has been infringed, and that the injunction should issue, plaintiff's conduct would be still such as to deny it the right to an accounting.

Even where a defendant has acted *fraudulently* in the face of a plaintiff's laches, the Courts have denied an accounting although awarding an injunction. Thus in the very recent case of Hanover Co.

No. 739,954. PATENTED SEPT. 29, 1903.

G. H. VILLY.

HORN FOR PHONOGRAPHS, EAR TRUMPETS, &c.

APPLICATION FILED DEC. 8, 1902.

No. 12,442. REISSUED JAN. 30, 1906.

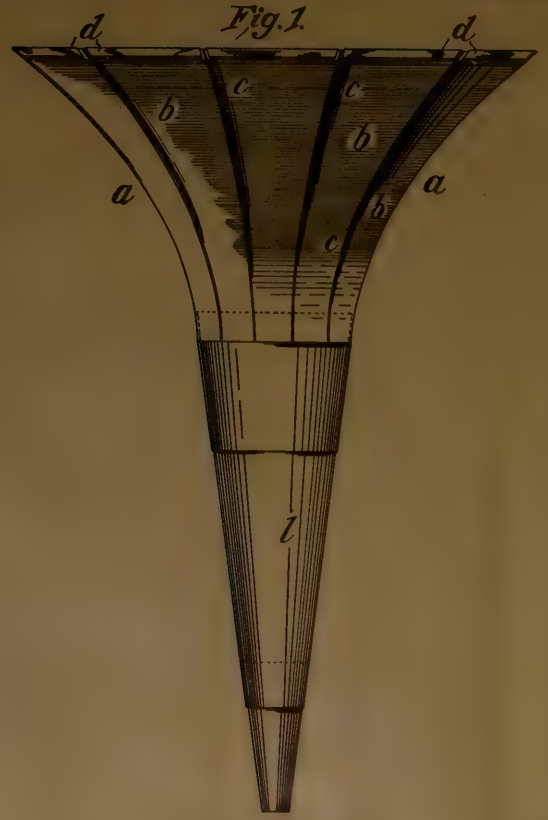
G. H. VILLY.

HORN FOR PHONOGRAPHS, EAR TRUMPETS, &c.

APPLICATION FILED OCT. 26, 1905.

3 SHEETS—SHEET 1.

Fig. 1.



No. 771,441. PATENTED OCT. 4, 1904.

P. C. NIELSEN.

HORN FOR PHONOGRAPHS OR SIMILAR MACHINES.

APPLICATION FILED APR. 14, 1904.

NO MODEL.

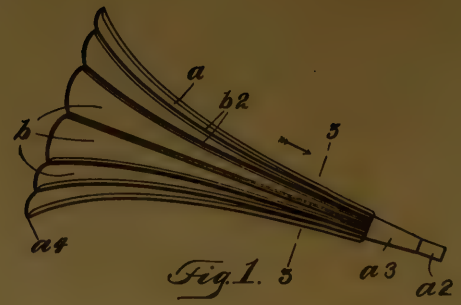


Fig. 1.

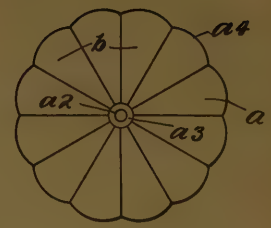


Fig. 2.



Fig. 3.

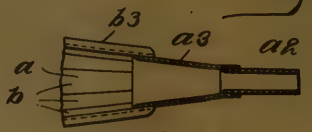
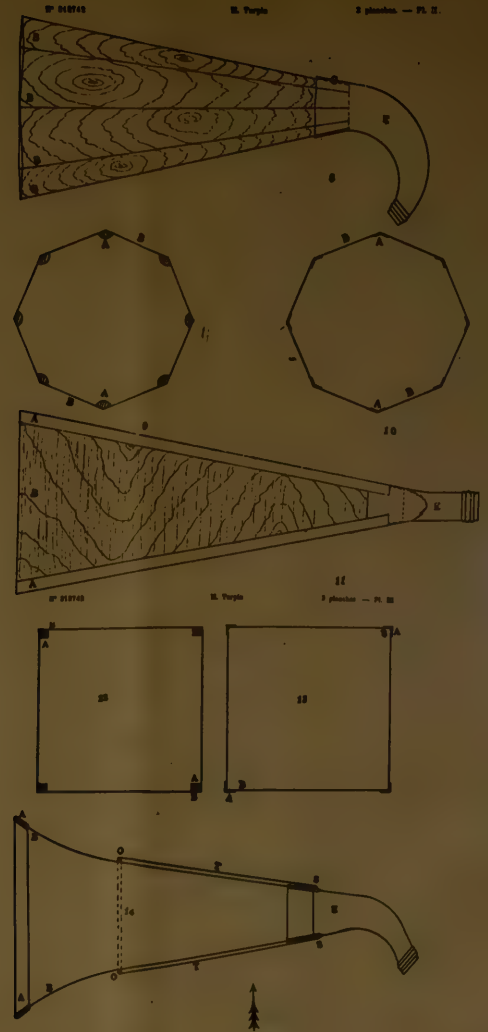


Fig. 4.



CLAIM 8 OF VILLY REISSUE:

"A phonograph horn or the like, comprising
(1) a number of flexed strips having curved meeting edges
(2) and means joining said edges
(3) said strips being so flexed and said edges so curved and joined that
(4) the horn is given a trumpet-like or bell-like form
(5) the strips forming angles where said edges meet."

It reads on both

CLAIM 3 OF NIELSEN:

3.—A horn for phonographs and similar instruments, said horn being larger at one end than at the other and tapered in the usual manner, said horn being composed of longitudinally-arranged strips secured together at their edges and the outer side thereof at the points where said strips are secured together being provided with longitudinal ribs, substantially as shown and described.

It reads equally on Nielsen, Turpin and McVeety.

DESIGN.

No. 34,907. Patented Aug. 6, 1901.

C. McVEETY & J. F. FORD.

SHIP'S VENTILATOR.

(Application filed July 10, 1901.)

FIG. 1.

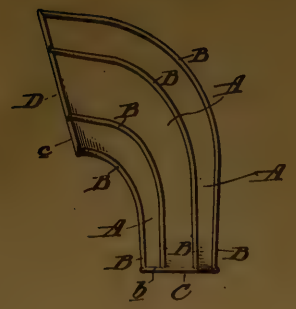


FIG. 2.

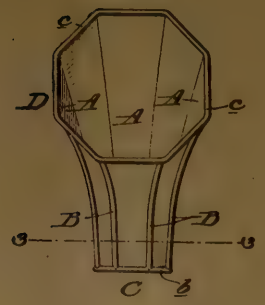
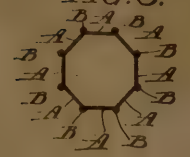


FIG. 3.



No. 699,928. Patented May 13, 1902.

C. McVEETY & J. F. FORD.

SHIP'S VENTILATOR.

(Application filed July 10, 1901.)

(No Model.)

FIG. 1.

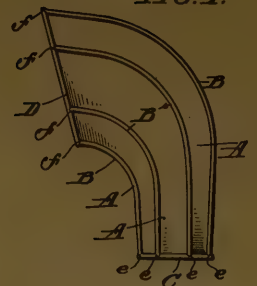


FIG. 4.

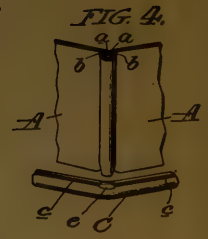


FIG. 2.

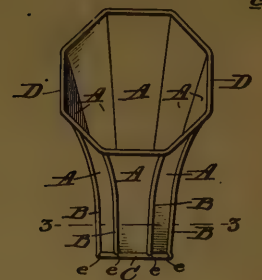
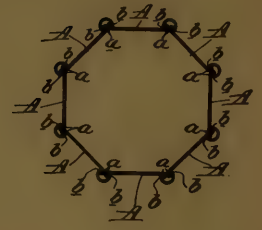


FIG. 13.



No. 811,877. PATENTED FEB. 6, 1906.

C. A. SENNÉ.

PHONOGRAPH HORN.

APPLICATION FILED NOV. 1, 1904.

Fig. 1.

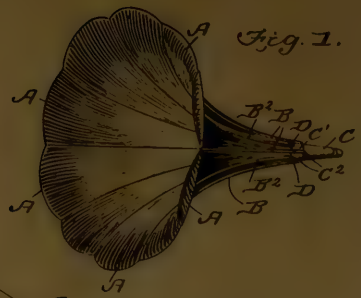


Fig. 2.

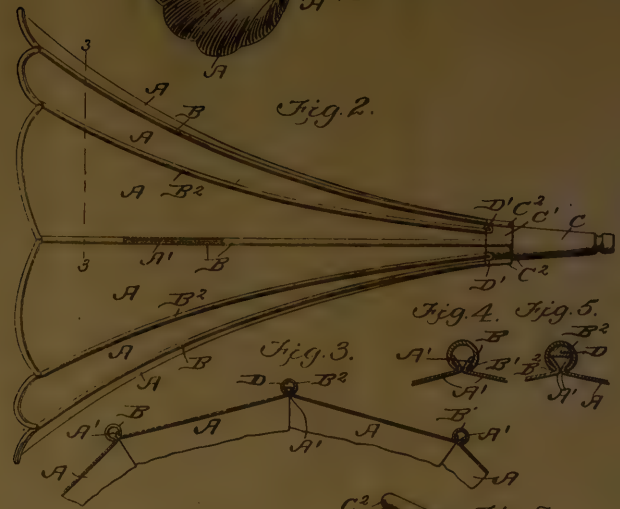


Fig. 4.

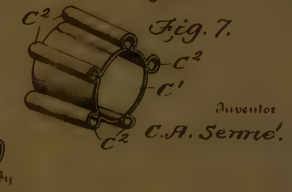
Fig. 5.

Fig. 3.

Fig. 6.



Fig. 7.



Inventor

C. A. Senné.

CLAIM 2 OF NIELSEN:

"A horn for phonographs and similar machines, the body portion of which is composed of longitudinally-arranged strips of metal provided at their edges with longitudinal outwardly-directed flanges whereby said strips are connected and whereby, the body portion of the horn is provided on the outside thereof with longitudinally-arranged ribs, said strips being tapered from one end of said horn to the other, substantially as shown and described."

It reads on both.

SHOWING THE KINSHIP BETWEEN McVEETY, ET AL., and NIELSEN.

From McVeety & Ford's Specification:

"AA represent the plates which are of varying width and provided at the sides with upturned portions **a**, forming grooves for the reception of the ribs B, which are in the form of split tubes, the inward-projecting portions b being adapted to engage the grooves of the plates A."

From Senne's Specification:

"I employ a series of blades or strips A . . . each being wider at its outer end and tapering with a grooved line to its inner end . . . . The longitudinal edges of each blade are bent outwardly and inwardly to provide a flange A', over which is placed a tubular rib B, having slots B' . . . through which the flanges project and by bending the flanges . . . the sections will be firmly and securely locked together."

vs. Metcalf *decided March* 6, 1916, by the Supreme Court (240 U. S. 403, 60 L. Ed.—) Mr. Justice Pitney remarked:

> "As to laches and acquiescence, it has been repeatedly held, in cases where defendants acted fraudulently or without knowledge of plaintiffs' rights, that relief by injunction would be accorded although an accounting of profits should be denied. (MeLean v. Fleming, 96 U. S. 245, 257; Menendez v. Holt, 128 U. S. 514, 523; Saxlehner v. Eisner & Mendelson Co., 179 U. S. 19, 39.) So much must be regarded as settled."

Fraudulent action cannot be charged against this Defendant.

(18) The Columbia Graphophone Company, defendant, has no particular objection to the Injunction remaining in force, as its trade in these Horns, assuming that its Horns infringe which is not conceded, prior to the issuance of the Injunction, was mostly on machines sold only to Italians and Portuguese and to Chinese (see Vale Affidavit, R. 53); Horns of this type giving, to quote Mr. Vale: "a louder tone than was possible with the other types and the Chinese preferred such loud tone." Whilst defendant believes that an injunction would be unjust, it would be far less inequitable and pernicious than for this Court to decree or permit an accounting under all the circumstances of the case.

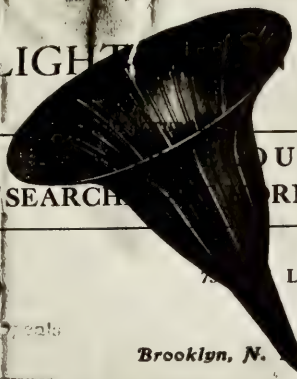
Respectfully submitted,

C. A. L. MASSIE,
CHAS. E. TOWNSEND,
Attorneys for the Appellant.

SEARCHLIGHT[illegible] COMPANY

PAT. No. 771,441 OCT. 4th 1904
PAT. No. 12,442 JAN. 30th 1906
PAT. No. 38,275 OCT. 9th 1906

[illegible]OUS
SEARCH[illegible]RN



Telephone 2606 Bushwick
Case No. 2759

[illegible] LEXINGTON AVENUE

U. S. Circuit C[illegible]
For the Dist. [illegible]

Brooklyn, N. [illegible] December 12th, 1906.

Defendant's Exhibit D.

RECEIVED
DEC 12 1906
A.M.

Filed APR 8 - 1916

W. E. Gilmore Esq., President,

National Phonograph Company,
Orange, New Jersey.

Dear Sir:-

We submit for your consideration the following:-

The last "Knock Down" sample horn we sent you we consider the most perfect product of its kind ever turned out both structurally and accoustically.

If you agree with us and feel it to your interest to make our horn part of your equipment, we can make it in a different size if necessary, though we believe the size from the consumers standpoint is the best, and you can pack the horn in your regular Phonograph box in a smaller space than it occupies in our box.

Of course you realize it takes a little time to get the machinery in good condition for the quantity you spoke about, and in this connection we would suggest you seriously consider how long a contract you want to make with us.

Very truly yours,

SEARCHLIGHT HORN COMPANY,

WHL/DA

Pres.

[illegible]
Def't's Exhibit No. 1 [illegible] 1915
[illegible]

[illegible]
Def't's Exhibit [illegible]
between
Searchlight Horn Co. [illegible]
National Phonograph Co.
J. O'C.

No. 2759

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

MAY SESSION, 1916

COLUMBIA GRAPHOPHONE COMPANY
(a corporation),
Appellant,

vs.

SEARCHLIGHT HORN COMPANY
(a corporation),
Appellee.

Filed
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BRIEF FOR APPELLEE.

JOHN H. MILLER,
Counsel for Appellee.

PERNAU PUBLISHING COMPANY

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BRIEF FOR APPELLEE.

Statement of Facts and History of the Litigation.

This is an appeal from an interlocutory decree in favor of appellee, plaintiff below, against the appellant, defendant below, sustaining a patent and awarding the usual relief for infringement thereof, said decree being dated and entered December 2, 1915, in the District Court of the United States for the Northern District of California (Record 921-5).

The patent involved is No. 771,441, of October 4, 1904, issued to Peter C. Nielsen, for a phonograph horn. It has heretofore been before this court and favorably considered in the following cases:

Sherman Clay & Co. v. Searchlight Horn Co., 214 Fed. 86;

Same v. Same, 214 Fed. 99;

Pacific Phonograph Co. v. Searchlight Horn Co., 214 Fed. 257;
Sherman Clay & Co. v. Searchlight Horn Co., 225 Fed. 497;
Pacific Phonograph Co. v. Searchlight Horn Co., 225 Fed. 500.

The first of the above cases was on writ of error to a final judgment in favor of Searchlight Horn Company sustaining the patent and awarding damages for its infringement. The next two cases were on appeal from orders granting preliminary injunctions. The last two were appeals from subsidiary orders in equity cases. All of the decisions were in favor of the Searchlight Horn Company.

The sequence of facts constituting this chain of litigation is as follows: On May 9, 1911, the Searchlight Horn Company commenced an action at law for the infringement of this patent against Sherman Clay & Company in the United States District Court for the Northern District of California. Judgment was rendered therein in favor of the patent on October 4, 1912. Writ of error was prosecuted to this court in that case, and on May 4, 1914, the judgment was affirmed (214 Fed. 86).

After judgment in that case in the lower court equity suits for injunctions were brought by Searchlight Company against Sherman Clay & Co. and Pacific Phonograph Company, and from orders granting preliminary injunctions appeals were taken to this court where the orders were affirmed on

May 4, 1914 (214 Fed. 99; 214 Fed. 257). The two equity cases were then remanded to the lower court for final hearing. But before such hearing defendants therein moved the lower court for an order restraining the prosecution of the cases until the final determination of similar cases which had been brought by the Searchlight Horn Company in New Jersey against other parties. These motions were denied, and upon appeals being taken the orders were affirmed on August 9, 1915 (225 Fed. 497; 225 Fed. 500). These rulings cleared the obstacles standing in the way of a final hearing of the equity cases on the merits, and thereafter on May 7, 1915, the equity case of *Searchlight Horn Company v. Sherman Clay & Co.* was tried in open court on final hearing and resulted in an interlocutory decree in favor of Searchlight Horn Company. From that decree Sherman Clay & Co. prosecuted an appeal to this court and filed a transcript of record, but on February 21, 1916, they voluntarily dismissed said appeal and the case was remanded to the lower court with instructions to proceed with the accounting.

The next equity case to come on for final hearing was that of *Searchlight Horn Company v. Pacific Phonograph Company.* which case was tried on November 29, 1915, and on December 2nd, following, an interlocutory decree was entered in favor of Searchlight Horn Company in the usual form. An appeal was taken from that decree by Pacific Phonograph Company to this court, and a transcript of

the record has been filed. The case is No. 2770 and has been assigned for hearing on June 2, 1916. The record in that case, however, has not been printed, and under the rules of this court the appeal will be dismissed. Evidently the Pacific Phonograph Company at the eleventh hour concluded that they could not prevail on the appeal and allowed the same to be dismissed. Sherman Clay & Co. on appeal from the interlocutory decree in their case had taken a similar view when they dismissed their appeal. The facts hereinabove stated all appear from the various records now on file in this court.

This brings us to a consideration of the case in hand, that of Columbia Graphophone Company. The bill in this case was filed July 24, 1913 (Record 8), and the answer on October 20, 1913. At that time the litigation with Sherman Clay & Co. and Pacific Phonograph Company was still pending and undetermined; consequently, the Columbia people played "a waiting game" with the hope that the Searchlight Company might be defeated in its controversy with Sherman Clay & Co. and Pacific Phonograph Company, in which event the Columbia Company would claim the advantage thereof without having been put to the expense of a trial. We did not object to this course. Consequently, on January 6, 1914, a stipulation was entered into reciting the pendency of the other litigation in the court of appeals, and that the decision therein would have influence on the decision in the case at bar, and by

reason thereof the time for the taking of testimony was extended (Record 31-3).

Thereafter further extensions were granted as follows: April 13, 1914; May 14, 1914; June 9, 1914; June 24, 1914 (Record 33-36).

In the meanwhile a preliminary injunction had been granted on March 22, 1915 (Record 66).

These proceedings, extensions, stipulations, etc., brought the matter down to final hearing on November 23, 1915, at which time the case came on for final hearing together with the companion case against the Pacific Phonograph Company. This last named case was tried first, and by stipulation it was agreed that the Columbia case should be submitted on the testimony taken in the Pacific Phonograph case and the Sherman Clay case, and upon certain other matters of fact which were stipulated to (see stipulation of June 10, 1915, at pages 74-75, Vol. 1 of the record herein). In other words, the Columbia Company took no testimony of any kind, character or description whatever; but submitted its case under the aforesaid stipulation upon the testimony and proceedings taken and had in the suit of Pacific Phonograph Company.

Both the Pacific Phonograph and Columbia companies prosecuted appeals to this court and filed transcripts of the record; but, as already remarked, the Pacific Phonograph Company has failed to print its record and has abandoned its appeal, which we think is a clear intimation from them to this

court that they had no hope whatever of securing a reversal.

The Columbia Company has printed its record. That record, however, has omitted a large portion of the testimony taken in the Pacific Phonograph case. In the Pacific Phonograph Company case the main issue was an alleged anticipation by prior use at Pittsburg, and more than a thousand pages of testimony were taken on that issue, all of which testimony, every syllable of it, has been omitted from the Columbia record, although it was included in the transcript of the record in the Pacific Phonograph Company case now on file in this court. At the trial, plaintiff's attorney offered in evidence "all the testimony, depositions, and exhibits" that were offered in evidence in the Pacific Phonograph case constituting its *prima facie* case; thereupon defendant's attorney offered in evidence "all of the depositions, exhibits and testimony or other evidence offered on behalf of defendant" in the Sherman Clay & Co. case and the Pacific Phonograph Company case; after which plaintiff offered in evidence all the rebuttal depositions, etc., taken in the Sherman Clay & Co. and Phonograph cases (see Record, Vol. 1, pages 78-9).

Notwithstanding these facts the appellant has brought to this court only a portion of the record on which the case was tried, having omitted more than a thousand pages of testimony together with accompanying exhibits, and upon this abbreviated, maimed, and impotent record now before the court

asks for a reversal. In other words, this court has not before it in this case the entire record which was before the lower court and upon which the lower court rendered its decision, and in view of the rule that the appellant must file "a complete record" (Rule 14, Sec. 3), does not this appeal fall of its own weight? We merely suggest the matter to the court for its consideration without insisting on it, preferring to ask a decision on the merits of the issues which are presented by the appeal.

Argument.

It is impossible for us to know in advance what points will be urged by appellant. An omnibus assignment of errors, comprising 23 in all, has been filed (Record 927-932); but it is palpable that the major part thereof will be abandoned. We apprehend that the main points urged will relate to the validity and construction of the claims of the Nielsen patent, and that such construction thereof will be urged as to avoid infringement. At the present time, therefore, we can do no better than to exploit the Nielsen patent from our own standpoint and ascertain therefrom what was the invention made and then see if it is adequately covered by the claims. The matter having been so exhaustively considered by Judge Van Fleet in the numerous cases which were before him, and his rulings having been all affirmed by this court, it would appear that nothing more than a recapitulation of what has already been decided is necessary at this time.

SOME ELEMENTARY PRINCIPLES OF SOUND.

In analyzing the Nielsen patent to ascertain the nature of the invention, it will be helpful to keep constantly in mind certain elementary principles of sound which underlie the subject-matter. These principles are well known to physicists and are beyond the pale of doubt; consequently, it will merely be necessary for us to refer to them in the most general terms.

Sound is the product of vibrations, and without vibration there can be no sound. There may be vibrations without sound, but there can be no sound without vibrations.

The next requirement is that there must be some medium through which the effect of the vibrations of the sound-producing body is conveyed to the human ear. This medium ordinarily is the surrounding atmosphere. The vibrating body throws into a state of excitement the air immediately surrounding it, thereby producing sound waves, so called, which ultimately reach the human ear and produce in the brain the sensation of sound. These sound waves are analogous to water waves, being propagated one after the other in succession in substantially the same manner as water waves. If a pebble be dropped into a pond of still water, a succession of concentric waves or ripples will be produced extending to the edge of the pond. These waves do not travel, although they appear to do so, but each one produces the next one, and then subsides.

Sound waves in the atmosphere are produced in the same way. The vibration of the sounding body disturbs the layer of air adjacent thereto and causes a concentric wave to arise which partakes of the character of the vibration producing it. This initial wave acts upon the next layer of air to form a similar wave and then subsides. The second wave in the same way produces a third wave and then subsides. This operation is continued until the human ear is reached, and then the last wave acts upon the auditory mechanism therein contained and through the auditory nerve an impression is conveyed to the brain, which we call the sensation of sound.

It is apparent that sound waves will differ from one another as to shape, size, form, etc., according to the difference in the vibrations of the sounding body, because the vibrations in the sounding body determine the character of the sound waves. Consequently, if the vibrations be violent, the sound waves will be correspondingly large and their amplitude great; whereas if the vibrations are feeble, the sound waves will be small and their amplitude correspondingly small. Again, different bodies have different forms of vibration, and, consequently, the sound waves produced thereby will be different, and the resultant sounds different. Organs, violins, trumpets, flutes, bells, gongs, etc., produce different sounds because they have different forms of vibration. Still further, a bell made of silver produces a different sound from a bell made of brass or iron.

A drum produces a different sound from a metal gong. This is due to a difference in the character of the material forming the sounding body.

Sounds are distinguished from one another by three different characteristics, viz: (1) By the greater or less amplitude of the vibrations of the sounding body, known as *loudness;* (2) By the number of vibrations of the sounding body during an increment of time, known as *pitch;* and (3) By the peculiar and characteristic form assumed by the sound waves consequent upon the form of the vibrations, known as *timbre.*

One other principle of sound will be necessary to note at this time, and that is the law which relates to the reflection of sound when sound waves strike an interfering body. In that case the law is the same as the law of light, to wit, that the angle of incidence is equal to the angle of reflection.

With these principles of sound kept constantly in mind, the next step will be a consideration of phonograph horns in general.

PHONOGRAPH HORNS IN GENERAL.

As the first and fundamental step in this discussion we must obtain a clear idea of the purpose and function of a phonograph horn, and this is made especially necessary by reason of the fact that the term horn when used in connection with a phonograph, is scientifically inaccurate and can be tolerated only on the theory that the implement bears a general appearance in form to a horn proper.

A phonograph horn is in no sense "a horn", as that term is understood in the musical art. In the case of a horn proper, as connected with the musical art, the music is produced or created by the mechanical vibrations of the horn itself, and without such vibrations there would be no music. The musician blows air through the mouthpiece of a cornet, trombone, or other musical instrument, and these puffs of air, thus created, impinge upon the interior surface of the horn and produce in it a set of vibrations corresponding in form to the waves produced by the puffs of air generated by the musician. These vibrations of the horn in turn produce and create similar vibrations in the air, which reach the human ear in the form of sound waves loaded or impressed with the resonance or tintinnabulation of the horn. Consequently, horns of different size, shape, and material will produce different sounds. The sound of a cornet is different from that of a trombone and still different from that of a flute or an organ. The primary object of all musical horns is to produce and create vibrations, and, consequently, such form of horn is used in the musical art as is most conducive to the creation of vibrations.

When we come to consider the so-called horn used with a phonograph, we meet with a wholly different situation. In that case the sole purpose of the horn is to allow the sound waves emanating from the phonograph to pass through the interior of the horn on their way to the ear of the listener. Speaking in the popular sense, the music has already been

created and stored up on the phonograph disk ready for reproduction, and all that the horn is supposed to do is act as a conduit therefor. The popular term "canned music" is descriptive of the situation.

Such being the function of the phonograph horn, it is highly desirable that the music, or rather the sound waves, should be allowed to pass through it without being contaminated or adulterated by outside influences. When we listen to a song by Caruso or Eames, we desire to hear it reproduced in all its purity, exactly as it was originally sung by the artist, and it is highly desirable in such case that the harsh, squeaky, tintinnabulations of the horn should not be allowed to mix and mingle with the musical notes being reproduced. The phonograph horn is intended merely as a conduit or passageway through which the music is to pass. It is analogous to a water pipe through which water passes. And just as it is desirable that the water shall be delivered from the pipe without contamination or adulteration received from the interior surface of the pipe, so it is equally desirable that sound waves passing through a phonograph horn should not be contaminated or adulterated by the results consequent upon the vibrations of the horn. Such adulterations have been denominated by this court as "metallic resonance or tintinnabulation" (214 Fed. 95).

In fine a phonograph horn is not intended to *produce* any music, nor to do anything to the music, nor to allow anything to be done to the music. On

the other hand, a musical horn proper in intended to *create* and *produce* the music itself. Hence it is constructed of such material and in such form as will best produce vibrations. To put the two cases in sharp distinction, a phonograph horn must have a minimum of vibration, while a musical horn must have a maximum of vibration. With this distinction clearly in mind, the next step to consider will be the state of the art with reference to phonograph horns existing at and prior to the time of the Nielsen invention.

STATE OF THE ART PRIOR TO NIELSEN.

On this subject there is practically no dispute. When phonographs were first invented and for a few years thereafter, no horns were used at all; but in lieu thereof ear pieces attached to the tubes emanating from the phonograph were inserted into the ears of the listener, and he alone heard the music which was being reproduced.

With this method only a single person could listen to a phonograph at one time. To overcome this obstacle, Mr. Edison provided a horn whereby the music could be thrown out into the open air to be listened to by any number of persons. This horn was a small, insignificant affair, made of a single piece of sheet metal wrapped around a form in the shape of a cone and being a few inches in length. It was substantially of the same shape as a fish horn.

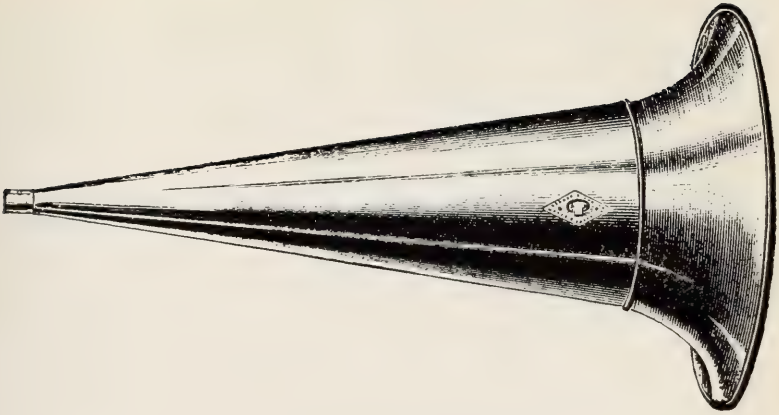
Such horn was for some years supplied with all of the phonographs by the manufacturers and sold

as a part of their equipment. It proved, however, to be wholly inefficient and the result was that the dealers in phonographs discarded it entirely and substituted in its place and stead when selling the phonograph a different style of horn much larger in size and different in form and construction.

The horn thus substituted went into extensive use and was known as the B & G horn, taking such name from the fact that a portion of it was made of material having a gold color while the remainder was made of material having a black color. The letters B & G constitute an abbreviation of the words Black and Gold (Record 119).

This B & G horn was made of a body piece proper and a flaring bell. The body piece was made of a single sheet of metal cut in a triangular shape and then wrapped around a conical mandrel, the edges being fastened together by solder, brazing, or lock seams, so as to produce a cone-shaped body. To the outer end of this cone was attached a flaring bell made of spun brass. The attachment of the bell to the cone was by means of some appropriate joint well known in the sheet metal art.

On the adjoining page is a reproduction of the B & G horn as used prior to Nielsen's invention, and below it is a cut of the famous Victor trade mark representing a fox terrier listening to the music emanating from a B & G horn. This trade mark, known as "His Master's Voice", is said to be one of the most valuable trade marks in the



BLACK AND GOLD HORN



VICTOR TRADEMARK

world, worth many millions of dollars to the Victor Talking Machine Company.

This B & G horn is also shown and illustrated in the U. S. patent to Marten, No. 738342 of Sept. 8, 1903; British patent to Fairbrother, No. 17,786 of 1902; British patent to Tourtel, No. 14,730 of 1903, and others.

In addition to this B & G horn there was another one in use made entirely of brass but being of the same shape and form as the B & G. It was known as the all-brass horn.

It may be remarked that there also existed prior to Nielsen several other horns of a nondescript character, but they made no impress on the art and were all ultimately abandoned. One of these horns was known as the Kaiser horn, which was a horn made of paper and was soon abandoned. Other horns made of glass, celluloid, fibre, and wood were also tried; but they, too, were abandoned as impracticable, and at the time of the Nielsen invention the horn universally used as the best product up to that time was the B & G horn. We will, therefore, take that horn as the representative of the prior art.

DEFECTS OF B & G HORN.

That horn had decided defects. While it was the best that had been produced up to that time, it was far from satisfactory. In view of the present advanced state of the art the most casual consideration will be all that is necessary on this point. As

stated before, the B & G horn was made in two pieces, a long cone and an attached spun bell. The cone was made of a single piece of metal shaped around a conical mandrel. The bell was of spun brass attached to the outer end of the cone by a seam or otherwise.

When the sound waves from the music box entered the small end of the horn they struck against the interior surface and then bounded back like rubber balls and finally passed out the large end of the horn. This impingement of the sound waves against the surface of the horn caused the horn itself to vibrate, and these vibrations of the horn created sound waves of their own which mixed and mingled with the musical sound waves passing through the horn and thereby added to them their own characteristics. These characteristics consisted of a harsh, squeaky, metallic sound, which has been denominated by this court "metallic resonance or tintinnabulation". In this way the musical sounds become contaminated and adulterated, and the music was necessarily rendered impure.

Considering the reason for this from a scientific point of view the matter is now quite plain. The vibrations of the horn were of large amplitude because the horn was made of a large single piece of metal. A long string offers a field of wider vibrations than a short string; a large plate offers a wider field than a small one. Now as the loudness of a sound is measured by the amplitude of the vibrations of the sound-producing body, it follows

that a loud sound is the product of vibrations of wide amplitude. In the B & G horn the sounding body was a plate of extended superficial area. Consequently, its vibrations were of wide amplitude and the resultant sounds were louder. These loud sounds produced by the vibrating horn were of sufficient loudness to be audible, and when they were mixed with the musical sounds the result was a combination of musical and non-musical sounds. The notes of the singer or musical instrument were mingled with the squeaky tintinnabulation of the tin horn. In the light of the present art, this conclusion is clear. The defect was apparent prior to the Nielsen invention, and many efforts were made to remedy it, but it remained for Nielsen to provide the remedy.

The object of the Nielsen invention was to overcome this defect of the prior art, and that his invention did overcome it has long since been placed beyond the pale of doubt. How he overcame it we will show later on. At present we are concerned only with the fact that such defect existed, and that others had tried to overcome it without success.

The situation as it existed prior to Nielsen is clearly stated by the disinterested witness, Merritt, who has been intimately connected with the art since 1889, fifteen years prior to the Nielsen invention. At pages 119-20 of the record we read from his deposition:

> "With both of these horns, namely, the brass horn and the B & G horn, I frequently noticed

what we called the 'blast', namely, a sudden swelling or confusion of sound. This blast or sudden or undesirable increase of sound would become apparent under various circumstances, as, for example, in particular with certain qualities of voice or certain notes or with certain classes of instruments. This was so pronounced at times as to make very disagreeable results. This was due in part to defects in the records or in the production of the records, and for a number of years improvements were made in the records that tended to eliminate these confusion sounds and blasts, but in spite of all that could be done toward improving the records this blast continued to a certain extent because, as we afterwards found out, of the construction of the horns that were then in use. The idea that was prevalent through the phonograph trade prior to the introduction of the Nielsen horn was that the blast or confusion of sound could be eliminated by making the horn as seamless as possible. The belief was that the presence of seams caused a rattling or vibration that interfered with the purity of certain tones, particularly of certain quality of voices and of certain instruments, and that the greatest purity of tone could be attained by making the horn seamless, and for this reason the brass horns were made without seams. In the small brass horns the entire horn was spun out of a single piece of metal; in the larger horns, where the bells had to be made separately from the cones, the two parts were spun separately and braized together by a joint that was finished so as to be practically seamless.

In the B & G horn the horn was made with as few seams as the construction would allow. In spite of this elimination or attempted elimination of the seams, we noticed the undesirable vibration that kept interfering with the purity

> of the tone reproduced from the records, and this difficulty was pronounced and interfered to a considerable extent with the proper use of the records."

From this testimony we note a most impressive fact. The idea prevalent at that time was that if there were seams in the horn they would cause a rattling or vibration which would interfere with the purity of the reproduced musical tones. Consequently, it was thought advisable prior to Nielsen's invention to make the horn as seamless as possible. For that reason the old B & G horn was made with only a single seam and the all-brass horn without any seams at all. This idea appears to have been drawn by analogy from the construction of musical horns, which of course were always seamless, and experts in the phonograph art seem to have adopted that analogy as applied to phonograph horns. But the idea was an erroneous one, and the analogy was false. The function of a phonograph horn is so different from the function of a musical horn that there can be no similarity of construction between them. The musical horn is for the purpose of *producing* music by its vibrations, and hence it must be as seamless as possible. The phonograph horn is intended solely for the purpose of *conveying* music there through which has otherwise been produced, and therefore its construction must be such as to prevent vibrations of its body part which would result in the production of audible metallic sounds. Here, then, we find the

most apt illustration of the exercise of the inventive faculty. It required the genius of original thought to form the conception that the ideal phonograph horn must not be seamless, but on the contrary, must be constructed of sections having seams or joints. This original conception occurred to no one but Nielsen, and the embodiment of such conception in practical form constitutes the acme of invention, because it was wholly at variance wth the teachings of the art up to that time.

Nielsen repudiated the conception held by others for accomplishing the purpose in hand and pursued a diametrically opposite course. He did what all the others specifically stated ought not to be done. He showed himself to be a bold and original thinker in so doing and his conception was that of an inventor. This brings him within the language of the court of appeals of the seventh circuit found in the case of *Pieper v. White,* 228 Fed. 39:

> "It was only by casting aside the teaching of the art and by disregarding the counsel of contemporary experts that they (the patentees) built the device of the patent."

Another disinterested witness, Arthur Pettit, who has been connected with the art since 1897 (Record 156) testified at page 163, as follows:

> "The flower horn proved decidedly superior as was shown by the fact that it very quickly replaced the old horn and drove them out of the market. The flower horn gave much better tone production than the B & G horn or the all-brass horn. With both of these horns

> that had been previously used metallic vibration frequently interfered with the clearness and purity of the reproduction, particularly with certain kinds of voices and instruments. These counter-vibrations of the all-brass horn and of the B & G horn were recognized as undesirable and as difficulties that we tried to get over, but these were not done away with until the flower horn came in. The shape of the flower horn gave a rounder and fuller tone than the previous horns. The sectional construction of the flower horn broke up and did away with the objectionable counter-vibration and allowed the records to be produced with clearness and without interference. This was such an advance over the prior horns that the flower horn was at once recognized as much better, and as soon as they came on the market no one wanted any other kind of a horn."

The quoted testimony shows conclusively the defect in the horns of the prior art. That defect was one which was known to all the experts in that art. It was plain and palpable and cried aloud for remedy. It is not surprising to note therefore that many workers in the art had tried to find the remedy.

Notable among those workers was Mr. Sheble, of the firm of Hawthorne & Sheble, who furnished to the defendant in this case the horns which are claimed to be an infringement. He noticed the defect and took out patent No. 759,639 of May 10, 1904, in which he proposed to cover the old B & G horn on the outside with a closely adhering cloth cover for the purpose of absorbing the metallic vibrations of the horn. His idea was not to change

the structure of the old horn, but to preserve that structure in its entirety and add to it something which would absorb the vibrations. That effort was an ignominious failure, and the horn was soon consigned to the limbo of abandoned experiments.

We quote from the Sheble patent as follows:

> "To those accustomed to the use of machines for reproducing sound it is well known that hitherto there has always been present an objectionable metallic note produced by the machine when in operation, due in a great measure to the fact that the vibrating column of air within the horn sets in vibration the metal of the horn itself, which in turn causes vibrations of the air so as to give rise to the objectionable note or tone mentioned."

Mr. Edison also was unremitting in his efforts in this direction. In the published book, entitled "A Complete Manual of the Edison Phonograph" by George E. Tewkesbury, with an introduction by Mr. Edison (Record 132), we find at page 152 the following statement:

> "With the phonograph a speaking tube and listening tube are provided. The speaking tube for dictation purposes meets the conditions acceptably. The single tube for listening is the best device for the purpose. But for concert use and public entertainment, the sound must be thrown out so that many persons can hear it, and for this purpose numerous types of amplifying horns have been produced. It would astonish the casual reader to learn of the number and thoroughness of the experiments in that direction. Mr. Edison has himself tried a vast number of sizes and shapes, out of all

sorts of material. Other experimentalists and enthusiasts have gone over the same ground, and branched out into new paths. Yet all have come back to the main traveled road. Wood, iron, steel, zinc, copper, brass, tin, aluminum, cornet metal, german silver, have been tried. Glass, too, and hard rubber, papier-maché, and probably every other product that nature yields or man contrives. The latitude as to form and shape being greater than the resource in material, there have been almost innumerable attempts in that line. After all of which it may be said that tin and brass, defective as they are, have been settled upon as the most available, and the forms now known in the trade as the most desirable.

The 26-inch standard tin horn is deservedly the amplifying device most used, and all things considered, gives as good results as any. It is not expensive, can be used for recording and reproducing both, and fulfills all reasonable requirements of the horn service. * * * The measurement at the bell or opening of this horn is 12 inches, and the lines from the bell to the nipple are straight. Similar in results, but different in character, is the 22-inch brass horn preferred by some because it is thought to give a more ringing effect to the reproduction of band and orchestra music, and claimed by others to make all reproduction brighter. This horn has a flaring bell, and is 12-inches in width at its mouth."

The 26-inch standard tin horn referred to in the above quotation is our old acquaintance, the B & G horn, while the 22-inch brass horn referred to is the all-brass horn also heretofore referred to. It will be seen that the author considers these two horns to be the best which had been produced up

to that date, and as Mr. Edison in his introduction to the book endorses the same, it is apparent that he was of the same opinion. We shall see later on what he thought of the Nielsen horn after it was brought to his attention. What we are discussing now is the fact that up to the time of the Nielsen invention the B & G horn and the all-brass horn were the best which the experts in the art had been able to produce, but that they were far from satisfactory and had in them the defect pointed out by the witnesses, whose testimony has been quoted. And we can not refrain from noting that Mr. Edison was fully aware of this defect, but had not been able to remedy it. Opposite page 152 of the Tewkesbury book will be found a picture showing a large number of horns tried and experimented with by Mr. Edison. Many of them are shown to be wrapped around with tape or other material which was for the purpose of absorbing the metallic vibrations, but such expedient was ineffective. None of those horns survived. They were all abandoned and the Nielsen horn was adopted by Mr. Edison.

THE NIELSEN HORN STRUCTURALLY CONSIDERED.

It is now in order to consider the mechanical construction of the Nielsen horn so as to see how it differs from the prior art horns mechanically considered. After that we shall investigate the theory and mode of operation of the horn and show wherein the actual invention consists.

No. 771,441. PATENTED OCT. 4, 1904.

P. C. NIELSEN.

HORN FOR PHONOGRAPHS OR SIMILAR MACHINES.

APPLICATION FILED APR. 14, 1904.

NO MODEL.

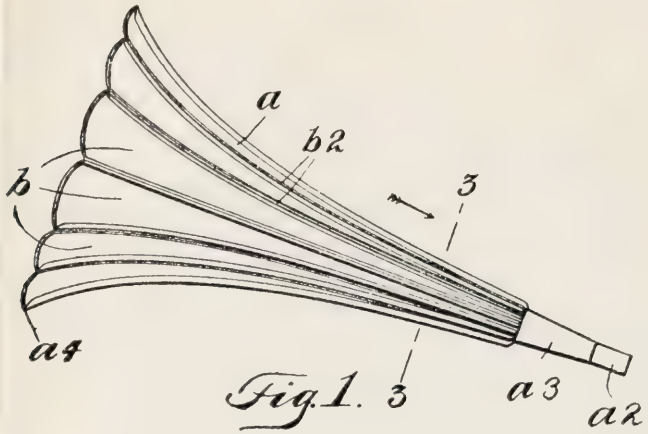


Fig. 1.

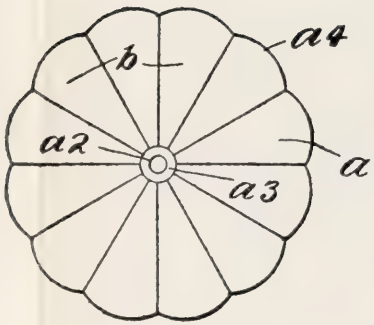


Fig. 2.

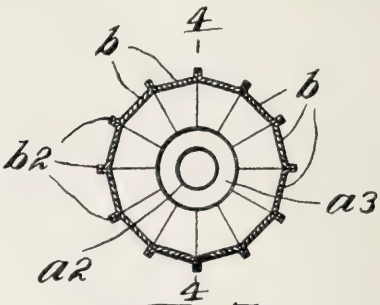


Fig. 3.

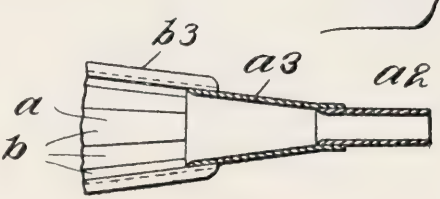


Fig. 4.

WITNESSES

A. L. Mattingly

F. A. Stuart

INVENTOR

Peter C. Nielsen,

BY Edgar Tate & Co

ATTORNEYS

On the adjoining page is a reproduction of the drawing of the Nielsen patent. Figure 1 is a side view of the entire horn, showing that it is of a bell shape. It resembles in shape a morning glory, from which fact it was at first sometimes designated as a morning glory horn, but the generic name by which it became known was the "flower horn".

Fig. 2 is an end view, looking into the horn, while Fig. 3 is a cross section on the line 3-3 of Fig. 1, showing the outwardly extending flanges 4, forming ribs on the outside of the horn, while the interior is comparatively smooth forming in cross section very nearly a circle.

Fig. 4 is a detail showing the nozzle piece and a supplemental piece intervening between the nozzle and the horn proper, but which may be omitted if desired.

The horn is composed of a plurality of metal sections. In the illustration shown in the drawings twelve such sections are used, but it is apparent that the specific number of sections is not material. so long as they when combined will produce the form desired. These sections are cut from sheet metal so as to be narrower at their inner end than at their outer end, and are joined together at their longitudinal edges by outwardly—directed flanges. These flanges in the illustration shown are made by upturning the edges of the sheets at a right angle, so that when brought together they form what is known in the art as a butt seam. They may be

secured together in any desired manner, preferably by solder. Such a seam was well known in the sheet metal art at the time of Nielsen's invention. When the sections are thus assembled together, they produce a horn which gradually tapers outwardly from the inner to the outer end, but the taper or flare becomes more abrupt as the outer end of the horn is reached.

In the law case against Sherman Clay & Co., the learned Judge of the lower court stated that the essential mechanical features of the Nielsen horn are the following, viz:

> "1. It must be composed of a multiplicity of metal strips secured together at their longitudinal edges by a seam.
>
> 2. This seam must be of such construction as to produce longitudinal ribs on the outside surface of the horn.
>
> 3. The strips are narrower in cross section at the inner end than at the outer end.
>
> 4. The strips must curve outwardly from the inner to the outer end, but the curve is more abrupt adjacent the outer end."

These are the mechanical features of construction illustrated in the Nielsen patent as the best form in which he contemplated applying his invention, but it is apparent that he is not limited to those specific features of construction. Not only is this a principle of law, but on referring to Nielsen's specification we find the following statement:

> "Changes in and modifications of the construction described may be made without departing from the spirit of my invention or sacrificing its advantages".

This matter was carefully considered by this court in *Sherman v. Searchlight*, 214 Fed. 86, and the views expressed by the Judge of the lower court were there approved and affirmed.

Comparing this mechanical construction with the mechanical construction of the old B & G horn of the prior art, the differences are apparent at a glance.

1. The B & G horn was relatively a long horn, thereby allowing the sound waves to remain within the enclosed space for a relatively long period of time, thereby being subjected to the continued deleterious influences of the metallic vibrations of the horn, whereas in the Nielsen horn, the body portion is relatively short with an abrupt flaring outlet, and the time during which the sound waves are retained in the interior of the enclosed space is shorter than in the case of the B & G horn and the consequence is that the sound waves are less liable to repeated interferences from metallic vibrations of the horn.

2. In the B & G horn the enclosed place through which the sound waves pass is relatively of a restricted character, which also tends to invite deleterious influences of metallic vibrations of the horn, whereas in the case of Nielsen, the interior space is relatively large and open, which tends to lessen the influence of metallic vibrations.

3. In the B & G horn the body portion of the horn is of strict conical shape, whereas in the case

of Nielsen the body portion curves or tapers gradually outwardly, that is to say, tapers in plan, but with a more abrupt taper adjacent the outer end. Stretch a string from the inner end of the B & G horn to the outer end where the bell is attached and the string will touch the surface of the horn at all points from end to end: do the same with the Nielsen horn and the string will touch the horn only at the two points, the inner and the outer end. This difference in construction also tends to counteract the deleterious influences of metallic vibrations.

4. The B & G horn is composed of two distinct parts, the body portion and a bell portion, the two being united together by a transverse seam. By such construction two different forms of metallic vibrations are set up, which augment the difficulties of the problem. And still further these two pieces are composed of different metals, ordinarily one of steel and the other of brass. This also is a disadvantageous feature on account of the different forms of vibrations of the different kinds of metal. In the Nielsen horn there is no separately attached bell, but the strips extend to the outer end of the horn where they take on an abrupt flare, and that feature of construction is a decided advantage over the B & G construction.

5. And finally the body portion of the B & G horn is made of a single piece of metal, with the inevitable consequence that its vibrations are of wide amplitude and therefore distinctly audible. If

those vibrations were not of sufficient amplitude to be audible, then the passing musical notes would not be adulterated. But the fact is that those vibrations are of such amplitude that they are necessarily audible, and being audible they are heard together with the musical sounds, and thereby the musical sounds are contaminated and adulterated with the non-musical, harsh, metallic sounds generated by the horn. This result flows from the primary fact that the B & G horn is made of a large single sheet of metal. But in Nielsen's case, the horn is made of a plurality of narrow strips of metal, from which the inevitable result flows that the vibrations of each particular strip is of small amplitude, so small in fact as to be inaudible. Being inaudible, these sounds are not heard by the listener, and as a consequence the musical sounds are emitted from the horn in all their purity and sweetness. Such in a nut shell is the mechanical difference between the B & G and the Nielsen horns, by which mechanical difference the defect of the prior art was entirely overcome.

It now remains to consider the precise nature of the Nielsen invention and the scope of his claims.

CONSTRUCTION OF THE NIELSEN PATENT.

It is stated in the specification of the Nielsen patent that the object of the invention is:

> "to provide a horn for machines of this class which will do away with the mechanical, vibratory, and metallic sound usually produced in the

> operation of such machines, and also produce a full, even and continuous volume of sound in which the articulation is full, clear, and distinct."

It will be observed from the above that it is not the object of the invention to do away with *vibrations,* but only to do away with mechanical, vibratory, and metallic *sounds.* This is an important fact to notice, for while it is impossible to do away with all vibrations of a horn, it is possible to do away with the disagreeable sounds consequent upon vibrations as manifested in the horns of the prior art. In other words, it is not possible to prevent vibrations, because it is an inevitable law of nature that some vibration will necessarily be produced under the circumstances; but it is possible to minimize those vibrations by so changing their form, character, and frequency as to render them inaudible in the presence of the musical sounds produced by the instrument. That is precisely what Nielsen accomplished.

The specification then explains the mechanical construction of the horn, showing that it is composed of a plurality of longitudinal metal strips gradually tapering from the inner to the outer end connected at their longitudinal edges by flanges which terminate on the outside of the horn to form ribs, while the inside of the horn presents a relatively smooth surface.

Quoting further from the specification it is there said that the horn "is bell-shaped in form, and

tapers outwardly gradually from the part a^3 to the larger or mouth end a^4, and this curve or taper is greater or more abrupt adjacent to said larger or mouth end". This means that the sections taper in plan, which is the same thing as saying that they taper outwardly. Also this taper is gradual from the inner to the outer end, but is more abrupt adjacent the outer end. In this way the bell shape is produced.

The specification, after saying that the horn is composed of a plurality of longitudinal strips which are gradually tapered from one end to the other, as before specified, also says that these strips are to be connected longitudinally so as to form longitudinal ribs b^2, etc. These ribs are shown in the drawings as forming a butt seam, but inasmuch as the invention does not reside in the character of the seam, any other kind of seam which would produce ribs is a mechanical equivalent.

The specification further says that the longitudinal strips are composed of sheet metal and that the inner wall of the body portion of the horn in cross section is made up of a plurality of short lines forming substantially circles. This is important, the object being to provide an interior horn surface free from projections, cavities, depressions and other obstructions which would interfere with the sound, and to produce as free and smooth a surface as possible, so that when the sound waves strike the wall they will be reflected therefrom easily and

at the same angle at which they strike the wall in accordance with the law that the angles of incidence and reflection are equal.

The specification also says that "it is the construction of the body portion of the horn as hereinbefore described that gives thereto the qualities which it is the object of this invention to produce, which objects are the result of the formation of the horn or the body portion thereof of longitudinal strips b and providing the outer surface thereof with the longitudinal ribs b^2 and curving the body portion of the horn in the manner described".

At this point we note an apparent ambiguity in the specification which the appellant placed much emphasis on in the lower court. We say an "apparent" ambiguity, but on close analysis the ambiguity disappears. Beginning at line 73, page 1 of the specification, it is stated that the ribs serve "to do away with the vibratory character of horns of this class as usually made". To a careless thinker it might appear from this that Nielsen undertook to do away with vibrations, that is to say, to eliminate all vibrations of the horn. But the language does not mean that, because the clause immediately following says that the ribs serve to do away with the metallic "sound", thereby showing clearly what the patentee meant. He did not mean to assert that his invention could do away with "vibrations", because that is scientifically impos-

sible; but he meant only that his invention would do away with the metallic "sounds" flowing from vibrations as theretofore experienced. The entire quotation in which the ambiguous clause occurs reads as follows:

> "* * * and it is the longitudinal ribs b^2 which contribute mostly to the successful operation of the horn, said ribs serving to do away with the vibratory character of horns of this class as usually made and doing away with the metallic sound produced in the operation thereof".

When this passage is taken as a whole and construed in connection with the remainder of the specification all apparent ambiguity disappears.

Another matter to note in this connection is the fact that these ribs are not limited to the construction consisting of a butt seam. Any other form of construction which would produce a rib would be sufficient. Butt seams were old in the art of joining two pieces of metal together and Nielsen has merely selected that form as the best one. Another form old in the art at the time was the lock seam, which consists of interlocking the edges of the two plates formed into hooks and then hammering them into compactness. Nielsen might just as well have selected that form of seam, because it likewise was old in the art. His invention did not reside in the form of the seam. He found two forms in the prior art, the butt seam and the lock seam. They are both mechanical equivalents. Considering the butt

seam the best, he selected it as the best illustration. He might have selected the lock seam if he had considered that to be the best. Inasmuch as he does not limit his patent to any form of seam, it is plain that he may use either the butt seam or the lock seam. As a matter of fact he did use both forms of seam.

And to clinch the matter we have merely to refer to the fact that at the end of the specification he states that "changes in and modifications of the construction described may be made without departing from the spirit of my invention or sacrificing its advantages".

There is another point to be noted, and that is the expression "outwardly—directed flanges" occurring in two of the claims of the patent. As a term in the art this merely means that the flanges upon which the ribs are formed are on the outside of the horn as distinguished from the inside. The inside is stated in the specification to be comparatively smooth, the reason being to provide a surface from which the sound waves will be easily reflected. The outside of the horn, however, is ribbed or corrugated by means of these outwardly directed flanges. The flanges of the butt seam could be either inwardly directed or outwardly directed, but Nielsen says in his specification that they must be outwardly directed. The same is true of the lock seam. That seam is made of two interlocking hooks or flanges, for the hooks are merely curved flanges,

and these are located on the outside of the horn, so that in every sense of the word they are outwardly directed flanges. One well known way of making the lock seam in the prior art was to form right angle flanges on two pieces of metal, but with one flange longer than the other, and then bend the long flange over the short flange to lock them together, and finally flatten the seam down on the body of the metal. In such case it is plain that the flanges are outwardly—directed, that is to say, located on the outside of the horn instead of on the inside.

There are other ways of producing the lock seam, one of which consists in first providing curved hooks on the two edges by appropriate machinery and interlocking them together. There are also other ways. In fact the lock seam is the seam which has been used in the manufacture of sanitary cans for many years and the operation is styled double seaming. It was known long prior to the Nielsen invention as the mechanical equivalent of the butt seam. This matter will be referred to and analyzed in detail when the question of infringement is reached. At present we think it sufficient to merely quote the ruling made in the Sherman Clay case.

On the trial of that case Judge Van Fleet gave careful consideration to the mechanical construction of the horn of the patent and the scope of the claims in his charge to the jury, and he again considered the matter on motion for a new trial,

which was denied. We quote from his charge as follows:

"The invention consists of a horn for phonographs or similar instruments, and its objects are, as stated in the patent, to do away with the mechanical, vibratory and metallic sound usually produced in the operation of such machines, and to produce a full, even and continuous volume of sound in which the articulation is clear, full and distinct. The horn is constructed of metal strips secured together at their longitudinal edges by a seam, which produces ribs on the outside of the horn. In the patent this seam is shown as being a flanged or butt seam, and these flanges extend outwardly, thereby forming longitudinal ribs on the outside of the horn; the sheet metal strips are curved or flexed outwardly, but this curve is more abrupt adjacent to the outlet of the horn or the mouth or large end, thereby producing a bell-shaped horn with a flaring outlet. This is the mechanical structure described in the specification, and after specifying the method of construction the patentee has added the following clause:

" 'My improved horn may be used in connection with phonographs or other machines of this class and changes in and modifications of the construction described may be made without departing from the spirit of my invention or sacrificing its object.'

"Now the invention actually covered by the patent does not reside in the particular form of the seam which joins the metal strips together. If the same result produced by the flanged seam shown in the patent as joining the metal strips together is obtainable by any other usual form of seam known at the time of Nielsen's invention, which operates in substantially the same way to produce the same

result, then the substitution of such a seam would not be a departure from the invention, but would be within its real and true scope. The invention of Nielsen consists in the production of a horn for phonographs and similar instruments consisting of a combination of the various elements hereinabove described by me, and the essential characteristics of the Nielsen horn are the following:

"1. It must be composed of a multiplicity of metal strips secured together at their longitudinal edges by a seam.

"2. This seam must be of such construction as to produce longitudinal ribs on the outer surface of the horn.

"3. The strips are narrower in cross-sections at the inner end than at the outer end.

"4. The strips must curve outwardly from the inner to the outer end, but the curve is more abrupt adjacent the outer end.

"Now combining these elements together in this way, Nielsen produced a horn for phonographs and similar machines larger at one end than the other and having substantially a bell-shape and abruptly flaring outlet made up of longitudinally arranged metal strips secured together at their outer edges by a seam of such character as to produce longitudinal ribs on the outer surface.

"This is an explanation of the invention in colloquial language rather than in technical form, and I instruct you that it correctly represents the invention as protected by the claims in issue of the Nielsen patent."

These views were approved by this court when the judgment was affirmed in 214 Fed. 86. So far as this court is concerned they are now the law of this patent.

SCIENTIFIC THEORY OF THE NIELSEN INVENTION.

Nielsen offers no explanation in his patent of the scientific theory on which his invention is based. We doubt if he was even aware of this theory. He was a foreigner of scant education, speaking the English language with great difficulty and occupying the position of a mechanic, earning his bread by his daily labor. He made his first horns by hand in a small room at Greenpoint on Long Island, his wife and girls helping him in the actual manual work. From the conditions existing we think it probable that he did not understand the scientific theory of his invention. All he knew was how to construct a horn mechanically which would obviate the difficulties inherent in the horns of the prior art. Why or how his horn did that he probably did not know, nor was it necessary for him to know, nor does the law impose upon him the duty of knowing.

The patent law regards results rather than the scientific process by which results are produced. It looks at things rather than the reason for things, and gives the reward to him who produces a useful result, without regard to the mental processes by which that result is reached.

This was ruled by the Supreme Court in the celebrated *Driven-well Case*, 122 U. S. 55, from which we quote as follows:

> "It is to be observed that the scientific theory and principle, the application of which is supposed to constitute the invention of Colonel

> Green, are not set forth either in the original or reissued patents. * * * It may be that the inventor did not know what the scientific principle was, or that, knowing it, he omitted from accident or design, to set it forth. That does not vitiate the patent. He sets forth the process or mode of operation which ends in the result, and the means for working out the process or mode of operation. The principle referred to is only the why and the wherefore. That is not required to be set forth. * * * An inventor may be ignorant of the scientific principle, or he may think he knows it and yet be uncertain, or he may be confident as to what it is, and others may think differently. All this is immaterial, if by the specification the thing to be done is so set forth that it can be reproduced."

Since that decision many others have been rendered along the same lines, but it will not be necessary to weary the court with citations thereof, inasmuch as the case quoted from is the leading authority.

But, although it is not necessary for a patentee to set forth the scientific principle of his invention, nevertheless if there be one, that fact adds materially to the patentability of the device.

Now there is a clearly defined scientific theory embodied in the Nielsen invention, which goes to show that Nielsen builded better than he knew. That theory briefly stated is simply this:

The mechanical vibrations of the metal sections of the Nielsen horn are of such small amplitude in

comparison with the vibrations of the prior horns, as to practically do away with, or at least to so minimize, as to render inaudible the harsh, squeaky, metallic sounds found in the horns of the prior art, and which this court has denominated metallic resonance or tintinnabulation.

In considering this theory we must keep in mind the distinction heretofore adverted to between a musical horn and a phonograph horn. In the musical horn the music is produced by the mechanical vibrations of the horn, and without these vibrations there would be no music. It is the primary object of those horns to produce vibrations, and, consequently, that form of horn is used which is most conducive to vibrations, to wit, a one-piece integral metal horn formed by spinning or moulding and having no seams or joints. But in the case of a phonograph horn the object is to allow music, which has already been produced and stored up on the record, to pass through and be delivered into the atmosphere without being adulterated or contaminated by outside influences. The horn is a mere tube through which the music passes, being analogous to a water pipe through which water passes. If the horn vibrates, it will set up sounds of its own, which will mingle with the passing musical sounds and contaminate them. Consequently, it is desirable to minimize the effect of those horn vibrations as much as possible, and that is accomplished by reducing the vibrations of the horn to the smallest amplitude.

In sound production it is the amplitude of the vibrations which determines the loudness of sound. Vibrations of large amplitude produce a loud sound, while vibrations of small amplitude produce a weak sound. Pluck the string of a banjo vigorously so as to produce vibrations of wide amplitude and a loud sound will follow; but pluck the same string gently so as to produce only vibration of narrow amplitude and the sound will be weak. Now in the case of the old horns which were made of one piece, the vibrations necessarily had a wide amplitude, and, consequently, a loud sound was produced. A metal plate having one square foot of superficial area produces vibrations of wider amplitude than a metal plate having only one square inch of superficial area. The difference is due to the difference in the amplitude of the vibrations. Nielsen divided up the large one-piece plate of the prior art into numerous smaller plates or sections and separated them from one another by bounding ribs; consequently, the vibrations of each of these separate plates is of much smaller amplitude than the vibrations of the large one-piece plate, and the bounding ribs prevent the vibrations from spreading from one to the other. In other words, these ribs limit the vibrations to each individual plate. The result is that the sounds produced by the vibrations of the individual plates are of such small amplitude as not to be audible. Consequently, they do not contaminate the musical sounds passing through the horn. In the case of the B & G horn

we hear both the sounds of the music and the sounds of the horn; but in Nielsen's horn we hear only the sounds of the music and cannot hear the sounds of the horn, because they are of such small amplitude as to be inaudible. Nielsen did not undertake to do away with the vibrations of the plates, because that was impossible. What he did was to change the vibrations from those of large amplitude to those of small amplitude for the purpose of decreasing the loudness of the sound. This is the scientific theory of the invention, and it is founded on the fact that loudness of sound is dependent upon the amplitude of the vibrations of the sound-producing body.

Nielsen utilized this scientific principle in a phonograph horn and thereby produced a new result. It may seem remarkable that so eminent a scientist as Mr. Edison missed it; but the undisputed fact is that he did miss it. He tried to accomplish the desired result by wrapping the old horn with tape or rattan for the purpose of absorbing the vibrations. Hawthorne and Sheble tried by covering the outside of the old horn with a silk material. Both failed. Nielsen tried by changing the structure of the old horn whereby he utilized the scientific principle above referred to. He succeeded where all others had failed. He produced the long-sought result.

After Nielsen had thus solved the problem by producing the flower horn Edison and all the other experts gave to it the tribute of their praise by con-

signing their own horns to the scrap-heap and adopting that of Nielsen.

EFFECT OF THE NIELSEN INVENTION ON THE ART.

This subject is an interesting one and is in and of itself sufficient to justify the finding that Nielsen's device was the product of the inventive faculty and was not anticipated by anything in the prior art.

As heretofore remarked, many different styles of horns had been tried prior to Nielsen with the result that at the time of his invention the best horns so far devised were the old B and G and all-brass horns. Many different forms made of many different materials had been tried and abandoned. (See Edison's book quoted from.) The B & G and the all-brass horns were the only ones which survived, and practically all phonographs at the time of Nielsen's invention utilized those horns. (See testimony of Krabbe, Merritt, Locke, and Pettit.)

Those horns had known defects, and many efforts had been made to remedy them without success. We have already called attention to the efforts of Hawthorne, Sheble, and Edison in that direction, and it may be added that many other workers in the art strove earnestly to attain the desired result.

In the Edison book quoted from it is said at page 151:

> "In this chapter we do not expect to say all there is to say about horns or to say the

> last word about horns, for the last word has not yet been spoken. The horn is still in its experimental stage, although certain definite results have been accomplished and certain facts are known."

And at page 152 it is said by the author:

> "It would astonish the casual reader to learn of the number and thoroughness of the experiments in that direction. Mr. Edison has himself tried a vast number of sizes and shapes out of all sorts of material. Other experimentalists and enthusiasts have gone over the same ground, and branched out into new paths."

They all failed, and the problem remained unsolved until the Nielsen invention appeared. Nielsen solved the problem. As soon as his horn was made public it captured the market. The B & G and all-brass horns immediately disappeared and were consigned to the scrap heap. They were sold for old junk. The Nielsen horns took their place. All the dealers adopted the Nielsen horn; not merely one here and another there, but all of them. There cannot be found in the industrial arts another instance of such complete and instantaneous abandonment of an old device and adoption of a new one.

At page 93 of the decision of this court, in 214 Federal Reporter, it is said:

> "Witnesses on behalf of plaintiff had testified that after the Nielsen flower horns were introduced to the market everybody used them on their machines; that they were bought by

everybody, by agents, by the dry goods stores, by the department stores and everybody. Everybody wanted them. Nobody wanted the old style horns."

And in the case of *Morton v. Llewellyn,* 164 Fed. 692, this court said:

"Apart from the presumption of novelty that always attends the grant of a patent, the law is that where it is shown that a patented device has gone into general use, and has superseded prior devices having the same purpose, it is sufficient evidence of invention in a doubtful case."

Permit us now to refer briefly to the evidence on this point.

The witness Krabbe, when testifying regarding the Nielsen horn, says at page 101 of the record:

"It practically did away with the B & G horn and with whatever all-brass horns still remained in use. Those concerns that have been making the B & G and brass horns started making flower horns in imitation of the Nielsen horns. I have already referred to the flower horns that I saw at Blackman's place. In short time flower horns were put out by nearly all of the manufacturers and not long afterwards the talking-machine companies themselves adopted the flower horns as part of their standard equipment and raised the price of their machines so as to include the horns. This practically put the independent horn manufacturers out of business except those that continued making the horns for the talking machine companies. Toward the latter part of 1904 and for a number of years succeeding it was practically the only metal horn used and was used in enormous quantities."

The witness Merritt, testifying at page 121, says:

> "As I have already stated in the early part of 1904 Bettini & Company made an arrangement to handle the horn and we handled the horn in large quantities. Almost immediately various horn manufacturers put upon the market a number of imitations of the Nielsen horn. These competing horns had the same shape as Nielsen's and were made up in the same manner of a number of flaring curved sections that were joined at their edges so as to form ribs. These horns were called the flower horns, following the designation given the horn by Mr. Nielsen himself. Some of the competitors called them morning-glory horns and some lily horns and others flower horns. By the latter part of 1904, or the early part of 1905, practically every horn manufacturer in the East, at any rate, was making this type of horn. They at once superseded both the brass horn and the B & G horn as well as the paper horns that had previously been put upon the market in some quantity. At the time the Nielsen horn was introduced the phonograph machine companies were not supplying any large horn with their machines. The phonograph companies were supplying only a small conical reproducing horn, varying from 14 to 18 inches. There was a very widespread demand for larger horns running up as high as 48 inches, but these horns were not supplied by the phonograph machine companies. The public had to buy and did buy these horns in large quantities from jobbers and dealers who got them from concerns who made the horns specially. There was a very large business in the sale of these larger-sized horns after the Nielsen horn was introduced. Various manufacturers who had previously been making the larger-sized brass B & G horn

above referred to took up the manufacture of flower horns. Among these concerns that put the flower horns upon the market in 1904 or early in 1905 were the Hawthorne & Sheble Mfg. Co. of Philadelphia, the Tea Tray Company of Newark, N. J., the Standard Metal Manufacturing Company of Newark, N. J., and several other concerns. The success of the flower horn was so marked, however, that within a short time the manufacturers of the phonographs themselves decided to give a larger horn with their equipment and themselves decided to adopt the flower horn. From that time on the flower horn became the regular standard equipment of the talking machines put out by the Edison, Victor, Xonophone and Columbia companies. The prices of the talking machines were raised by the manufacturers of such machines from $2.50 to $7.50 to cover the horn that was then supplied as part of the standard equipment. These talking machine companies sold the machines and the horns under an agreement by which the jobbers and dealers were required to maintain certain re-sale prices in disposing of the machines. Under these agreements the jobbers and dealers could not buy the talking machines without at the same time buying the flower horns as part of the standard equipment of those machines. The result was that most of the independent manufacturers of the flower horns were soon forced out of business and from that time on the flower horn business was carried on by the talking machine companies supplying the flower horns as part of the standard equipment as I have above pointed out."

The witness Locke, testifying at page 144, says:

"The B & G horn that I have spoken of was the popular and practically the only large horn

that was being sold just before the Nielsen horn came into use. The B & G horn was made by three or four companies including the Tea Tray of Newark, N. J., the Hawthorne & Sheble Mfg. Company of Philadelphia, Pa., and the Standard Metal Manufacturing Company of Newark, N. J. These three companies sold large quantities of the B & G horn. Very shortly after I got my interest in the Nielsen horn, or possibly just about that time, these three companies and a number of others started in making the flower horn and soon began to sell that horn in as large quantities as they had previously sold the B & G horn. The so-called flower horn created a furore and practically did away with the B & G horn. All new trade was in the flower horn and many people who had previously equipped their machines with the B & G horn discarded them and bought the flower horn.

Not only did the large manufacturers who had previously been making the B & G horn take up the flower horn and make and sell it in place of the B & G but a large number of smaller concerns started up making the flower horn. In fact I discovered after I had gotten into the business that some of the manufacturers had started making the flower horn in a small way in the summer of 1904 or thereabouts a few months after Nielsen had succeeded in getting his horn on the market in considerable quantities. The flower horn business increased very rapidly during 1905 and 1906 and the horn became recognized by the trade and by the public as so satisfactory that before long the talking machine companies themselves adopted the flower horn as a part of the standard equipment of their talking machines, discarding the small, cheap horn that they had previously been supplying adding to the former price of the machines an additional amount

varying from $2.50 to $7.50 to cover the varying sizes of the horns. The talking machine companies sold their machines under license agreements with their jobbers and dealers by which the jobbers and dealers had to purchase the entire equipment and had to maintain fixed prices in re-selling the same, and the result was that the jobbers and dealers were thereafter compelled to buy the flower horns from the talking machine companies as part of the equipment of the talking machines. This made it impossible for the independent manufacturers of the flower horns to continue making the same, except, of course, those who made contracts with the talking machine companies to supply them with the flower horns.

The flower horn continued to be practically the only form of horn used with talking machines down to the time when the cabinet machine came into use which utilizes a smaller sound producer that is concealed in the cabinet."

The witness Pettit, testified as follows at page 163:

"The flower horn proved decidedly superior as was shown by the fact that it very quickly replaced the old horn and drove them out of the market. The flower horn gave much better tone reproduction than the B & G horn or the all-brass horn. With both of these horns that had been previously used metallic vibration frequently interfered with the clearness and purity of the reproduction, particularly with certain kinds of voices and instruments. These counter-vibrations of the all-brass horn and of the B & G horn were recognized as undesirable and as difficulties that we tried to get over, but these were not done away with until the flower horn came in. The shape of the flower horn gave a rounder and fuller tone than the pre-

> vious horns. The sectional construction of the flower horn broke up and did away with the objectionable counter-vibration and allowed the records to be produced with clearness and without interference. This was such an advance over the prior horns that the flower horn was at once recognized as much better and as soon as they came on the market no one wanted any other kind of a horn."

Another fact of pregnant import may be noted here. Prior to Nielsen's invention the phonograph companies had no effective horn to furnish with the phonographs as a part of their standard equipment. Consequently, the sale of phonographs and the sale of horns were two different branches of the business. In this connection it is stated in one of the Edison advertisements relating to horns as follows:

> "Heretofore the sale of talking machines and the sale of horns have been two distinct transactions. This was because no talking machine had a satisfactory horn."

In other words, there was no horn at that time which the talking machine companies were willing to endorse as a satisfactory horn; consequently, when they sold the phonograph instruments they allowed the purchaser to use any horn he might select. It is true that the phonograph company usually sold with the phonographs themselves a small insignificant and inefficient tin horn of the shape of a fish horn, but the evidence shows that the dealers before selling the phonographs removed that horn and substituted in place thereof the B & G horn. But shortly after the Nielsen horn was

made public and its superior qualities became apparent, the phonograph companies concluded to and did adopt that horn as a part of their standard equipment. The Victor Talking Machine Company, the Edison Company, and the Columbia Company, the three greatest phonograph manufacturing concerns of the world, adopted the Nielsen flower horn as a part of their standard equipment.

In the case against the Sherman Clay & Company, in this court, the Victor flower horn was in issue, and in the suit against the Pacific Phonograph Company the Edison flower horn was in issue. In the present case the Columbia flower horn is in issue. They are all of substantially the same conconstruction and mode of operation. As showing what those companies thought of the flower horn, we refer to certain exhibits in this case, consisting of advertisements from the "Talking Machine World", a trade paper devoted exclusively to the interests of the phonograph art. On December 15, 1907, January 15, 1908, February 15, 1908, and March 15, 1908, respectively appear the following advertisements of the Edison Company:

The first of these advertisements contains a cut of a Nielsen horn and uses the following language:

"More Attractive Than Ever.

The *new Horn* and Crane of the Edison Phonograph *affords just the needed touch.*

The one thing which the Edison Phonograph needed to make it complete has been added—a large, handsome, prettily shaped horn, supported by a nickel-plated swinging crane.

Each model has now been so equipped, and in each case the proper size and shape of horn is furnished to produce the best possible results.

This *new equipment means much to Edison dealers.* It means that the carrying of a stock of horns is no longer necessary; that the sale of an Edison Phonograph includes the sale of a horn and a protected profit to the dealer on both.

The cutting of prices on horns has always worked a hardship to those dealers who maintain prices. This is now eliminated, as all dealers must sell the Edison Phonograph, *complete with horn,* at the full price.

The new complete Edisons are more attractive than ever, and the fact that each model now includes everything necessary to perfect work, with no extras to buy, is sure to appeal to possible purchasers. *The slight advance in price on account of the new improvements* is really not a higher price, for purchasers have always paid an extra price for a horn out of the dealer's stock. The dealer now sells a horn when he sells the phonograph, gets full price and makes a liberal profit on it.

If you do not handle Edison Phonographs, *this new feature is an added reason why you should.* Write for new catalogue and full particulars; also for the name of a nearby jobber who can supply you with Edison goods."

This advertisement is in evidence marked "Complainant's Exhibit Edison Advertisement of Flower Horn" (Record 130).

The second advertisement contains a cut of a Nielsen horn and uses the following language:

"When You Sell an Edison Phonograph You Sell a Complete Instrument.

Heretofore the sale of talking machines and the sale of horns have been two distinct transac-

tions. *This was because no talking machine had a satisfactory horn.*

Now the Edison Phonograph has *its own horn* and swinging support. *The horn is large, handsomely shaped and exactly adjusted to the instrument's needs.* It sets the phonograph off, attracts interests *and best of all,* it *pleases purchasers every time.*

The horn business has always been a drawback to the trade. It led to price-cutting which affected profits, necessitated carrying a large stock of horns and complicated selling methods generally.

Now the customer gets *the best and most suitable horn to be had* as a part of the phonograph, pays the price for both in one transaction, and the dealer makes a good profit on both. This *new equipment* is making new records for dealers in phonograph sales. Are you getting the benefit? If not, write us for full information and the name of a nearby jobber who can supply you with whatever you need."

This advertisement is marked in evidence "Second Edison Advertisement" (Record 130).

The third advertisement contains a cut of a Nielsen horn and uses the following language:

"The New Horn of The Edison Phonograph Meets a Long Felt Want.

This new horn is big, shapely and handsome. It sets the instrument off and gives to the reproduced sounds a clearness and sweetness not possible with other horns.

The appeal it makes to the consumer is instantaneous. It looks the money and it gives the results.

The horn is sold with the phonograph as a part of it—one price for both. One set of motions and the whole transaction is completed.

The horn brings the dealer a good profit. The price is fixed, just as the price of the phonograph is fixed. No competitor can influence a sale by cutting the price on the horn, and as the Edison horn is made for the purpose of securing *the best results from the phonograph,* no stock of horns is necessary.

The *new equipment* of the Edison puts the phonograph selling proposition on the right basis. *It means easier and quicker sales, full profits every time, no unfair competition and no accessory stock.*

If you are not an Edison dealer, you are overlooking a big money-making opportunity.

Write to-day for full information and the name of a nearby jobber who can give your order immediate attention."

The fourth advertisement contains a cut of a Nielsen horn and uses the following language:

"The Faster You Turn Over Your Capital The More Money You Make.

There is nothing so useful in business as ready money. A stock of musical instruments represents capital, but so long as it is stock it isn't paying running expenses or declaring dividends. Money invested in a stock of

Edison Phonographs

comes back over your counter in a steady stream, bringing profits of good proportions. The turnover is so quick that a small amount of capital will take care of this end of your business. *The new horn* and crane of the improved Edisons makes it unnecessary for you to carry horns in stock, and the great and growing demand for this wonderful entertainer makes it almost imperative that you add Edison Phonographs to your lines. You can get full information and whatever instruments you wish from a nearby jobber whose name we will be pleased

to furnish you on request. Write us to-day about it."

The fifth advertisement contains a cut of a Nielsen horn and uses the following language:

"Did you ever figure up your profits on talking machine horns and find there were none? Most dealers have, and that has been the trouble. A stock of horns that ties up money; a reduction in price to influence a talking machine sale; a cut to meet the price of some other dealer, and where is the profit?

It is because this situation exists in nine out of ten talking machine stores that the

NEW EDISON PHONOGRAPH

with its big, appropriate, properly proportioned horn, has received such a welcome from the trade. The horn goes with the phonograph. The price includes both. There is a good profit in each. The new horn puts the phonograph at its best, satisfies every purchaser, makes a stock of horns unnecessary and makes price-cutting impossible. Are you selling the new Edison? Are you pushing it? If not the most profitable part of the talking machine business is going to your competitors. Write us or a nearby jobber for catalogue of new models, terms, etc."

It will thus be seen that soon after Nielsen's invention was made known to the public, Mr. Edison adopted it and called it a perfect horn. He discontinued the use of the prior horns because they were defective and did not produce good results. He adopted the Nielsen horn because it cured those defects and produced a perfect result. Not only did he adopt the Nielsen horn, but he pronounced it a

perfect horn. He says that no prior horn was satisfactory, that this "new horn" makes his phonograph "complete", also that it secures "the best results from the phonograph", that it reproduces sounds with "a clearness and sweetness not possible with other horns", that "it affords just the needed touch", and "meets a long felt want".

Here, then, we find a piece of evidence as to the validity of the Nielsen patent which could not possibly be made stronger. Mr. Edison was the inventor of the phonograph and the founder of the phonographic art. He is the wizard to whom we all defer in electrical matters. The evidence shows that he, after experimenting with over 200 different forms of horns, could get nothing better than the old B & G horn, in which was the defect which Nielsen cured, and that when the Nielsen horn was brought out, he recognized its excellence at once and adopted and used it, having discarded his own horns. This surely is the highest tribute of praise that could be given to the Nielsen invention.

The record also shows advertisements in the "Talking Machine World" from other phonograph manufacturers of similar import as those of Mr. Edison.

On page 14 of the issue of May 15, 1908, is an advertisement of the Federal Manufacturing Company of Cleveland showing a cut of a flower horn, to which the name "Ideal" was applied. It was in construction and operation a Nielsen horn. The advertisement reads:

"A Revolution in the Phonograph Horn. Since the advent of the phonograph, back in the eighties, it may safely be affirmed that no real progress has been made in the phonograph horn; its size has been gradually increased, thus merely accentuating the defects of the reproduction. At last, the Ideal horn has come. A scientific device aiming at a pure melodious reproduction of the sound, be it either a great soprano song, the endearment of a string instrument solo, or the rendering of a Sousa march. Besides, it eliminates all the bad points of the previous horns."

This advertisement is in evidence marked "Complainant's Exhibit Federal Advertisement of Flower Horn".

On page 18 of the issue of January 15, 1905, is an advertisement by Hawthorne & Sheble, entitled "A Great Supply House", containing a cut of the flower horn and praising it up to the skies, saying, *inter alia*:

"Their latest product in the horn line, named the Flower Horn, is shown herewith. These Flower Horns are made by them in many styles, and not only do they present a handsome and attractive appearance, but they are brilliant and clear in reproduction."

It is marked "Complainant's Exhibit Hawthorne & Sheble Descriptive Article of January 15, 1905", and is Plaintiff's Exhibit No. 18.

Hawthorne & Sheble are the manufacturers who furnished to the defendant herein the infringing horns.

Other advertisements of the flower horn by Hawthorne & Sheble appear from time to time in the "Talking Machine World"; also similar advertisements by other manufacturers, and notably by the Victor Talking Machine Company. They all give unstinted praise to the flower horn, loudly proclaiming it to be the acme of improvement in phonograph horns. Those "Talking Machine Worlds" were all bunched together and submitted as a single exhibit, with the understanding that either party could refer to anything therein contained. They are now before this court in the custody of the clerk.

It may be noted as a matter of interest in this connection that the phonograph companies, after adopting the Nielsen horn, immediately raised the selling prices of their phonographs $2.50 and $7.50 each, according to size (Record 123, 145). It will be seen, therefore, that the Nielsen invention not only enabled the phonograph companies to secure a perfect horn, but also to get higher prices for their goods. We think it safe to say that the three great phonograph companies—Edison, Victor, and Columbia—have sold in the aggregate three million phonographs containing Nielsen horns. Assuming that the average raise in price was $5.00 (the mean between $2.50 and $7.50), it follows that by reason of the Nielsen invention those three companies have realized from their business fifteen million dollars more than they would have realized without the invention. These remarks are not idle speculations, but safe and sane deductions from the

sworn testimony of witnesses appearing in the record. We make the assertion without fear of successful contradiction that the Nielsen invention was revolutionary both in mode of operation and in commercial results. Surely it is entitled to the protection afforded by the patent law.

SUBSEQUENT PATENTS.

In considering a revolutionary invention, it is sometimes instructive to examine the patents which are issued subsequent as well as those issued prior thereto. The prior patents may show poverty in the art, while the subsequent patents may show activity caused by the invention in question. In such circumstances the subsequent patents become a proper subject for consideration.

In the case at bar there is practically nothing in the art prior to Nielsen affecting the scope or validity of his patent; but as soon as his patent was issued, we find the art flooded with patents utilizing the Nielsen idea and all infringing upon the same. We have put in evidence for the purpose of showing this fact the following patents, viz.:

Eichhorn, No. 797,725 of 1905;
Senne, No. 811,877 of 1906;
Fernan, No. 829,066 of 1906;
Eichhorn, No. 38,202 of 1906;
Beecroft, No. 38,273 of 1906;
Beecroft, No. 38,274 of 1906;
Steiner, No. 38,602 of 1907;
Cunnius, No. 921,676 of 1909;

Berner, No. 926,235 of 1909;
Benjamin, No. 917,404 of 1909; and
Danis, No. 967,618 of 1910.

Should the court feel inclined to examine these patents, it will be found that they are all imitations of the Nielsen horn. In the *Senne* patent re-referred to, No. 811,877, of 1906, it is stated that his horn has

> "a series of plates or sections each having their edges formed with flanges over which is secured a locking rib, by means of which the sections are securely held together".

Further along in the specification, referring to the metal strips, he says:

> "each being wider at its outer end and tapering upon a curved line to its inner end, so that when all of the blades are assembled they will produce a horn having a flaring mouth or, in other words, bell-shaped."

In the patent to *Eichhorn,* No. 797,725, of 1905, we find the identical Victor flower horn involved in the Sherman Clay case and there held to be an infringement. In his specification Eichhorn says:

> "In said drawings 5-5 indicate the sections of the horn, which individually are flaring in plan and at their large ends are made concave, as at 6. The longitudinal edges 7 of said sections are also concave, so that when said sections are joined together the horn will be given the desired flaring and regularly scalloped shape at the edge of the large end, resembling a flower."

Not content with securing this mechanical patent for a trifling addition to Nielsen's flower horn, Eich-

horn also procured design patent, No. 38,202, of August 28, 1906, claiming for himself the form and design of the horn.

Beecroft made a slight change of such minuteness that it would require an intellect of the microscopical kind to detect it. He, however, succeeded in obtaining two design patents for his attenuated idea, Nos. 38,273 and 38,274 of 1906. A casual glance at these four patents of Eichhorn and Beecroft tends to persuade a person that the Patent Office will grant a patent for "the merest shade of a shadow of an idea".

Berner, No. 926,235 of 1909, shows the Nielsen idea put in the form of a collapsible horn.

Danis, No. 967,618 of 1910, shows a cloth covering over a Nielsen horn for the purpose of "dampening the vibrations".

Cunnius, No. 912,676 of 1909, shows the Nielsen idea with some modifications.

This state of facts is most impressive. Prior to Nielsen we find in the art no patent utilizing his principle, though we do find many patents utilizing other principles; but after the Nielsen patent was issued the art is immediately flooded with subsequent patents utilizing his principle and trying to improve on the mechanical construction. Such has been the history of every great revolutionary invention.

QUESTION OF INFRINGEMENT.

On this question we do not think there is any room for doubt. The horns sold by the appellant are flower horns of the same construction and mode of operation as the horns sold by Sherman Clay & Co. and heretofore held by this court to be infringements.

Opposite this page will be found an insert showing four horns. On the top line are representations of the two honrs involved in the Sherman & Clay case (214 Fed. 86). The first one is the small horn and the second one is the large horn sold by those parties. Both are of the same construction and mode of operation differing only in size. They were supplied to Sherman Clay & Co. by the Victor Talking Machine Co. and are referred to as the Victor flower horns.

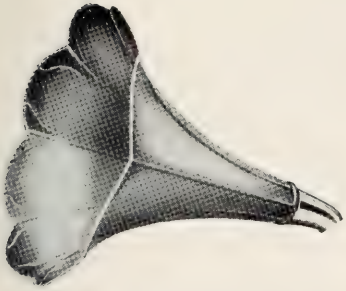
The horns on the lower line of the insert are those of the appellant, which the lower court found to be an infringement of the Nielsen patent. The first one is the small horn and the second one is the large horn sold by that company. They both are of the said construction and mode of operation and differ only in size. If the Victor horns are an infringement, then it follows conclusively that the Columbia horns are likewise an infringement, and possibly no other argument on the point will be necessary.

However, we shall venture to repeat what we said in our brief in the Sherman Clay case on this sub-

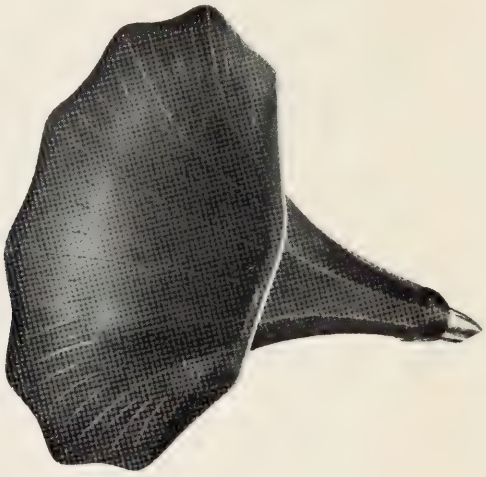
VICTOR HORNS

Involved in Sherman v. Searchlight, 214 Fed. 86, and held to be infringements of Nielsen patent.

SMALL HORN



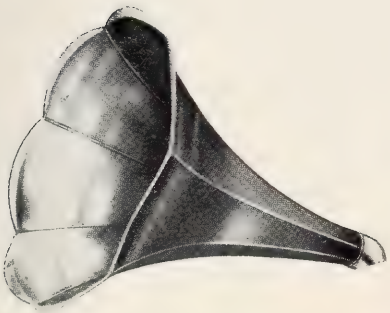
LARGE HORN



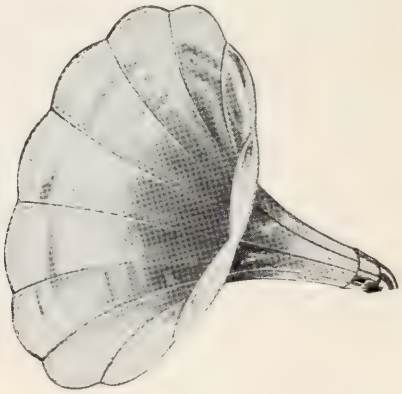
COLUMBIA HORNS

Charged in the case at bar to be infringements of the Nielsen patent.

SMALL HORN



LARGE HORN



ject of infringement. It is to be observed that in these infringing horns the lock seam is used instead of the butt seam, and it is contended by our opponent that the Nielsen patent is limited to a construction in which the butt seam is used and does not cover a horn in which the lock seam is used. This argument is sought to be founded on the phrase employed in Nielsen's patent "outwardly-directed flanges". Their argument is that a butt seam provides outwardly-directed flanges, but that the lock seam does not. The argument is unsound.

It is true that Nielsen illustrates only one form of seam in his patent, and that is the butt seam, made by upturning the edges of two adjoining sheets at right angles to form flanges and then attaching the flanges together by solder or any other appropriate device. In so doing he followed the law strictly, which prescribes that a patentee shall illustrate in his patent only one form of his invention and the illustrated form must be that which he considers to be the best. After he has done that, then his claim will cover not only the illustrated form but any and all other forms in which the invention may be embodied. This has been elementary law ever since the decision of *Winans v. Denmead*, 15 How. 330. The law does not permit a patentee to illustrate all the forms in which his invention may be embodied, but directs him to illustrate only one form. The lock seam is the equivalent of the butt seam, and it is as much covered by the claims as is the butt seam. This position is ren-

dered unassailable by the following clause in Nielsen's patent, viz:

> "Changes in and modification of the construction described may be made without departing from the spirit of my invention or sacrificing its advantages."

That Nielsen viewed the matter in this light is shown by the fact that he utilized in practice both forms of seam. He commenced with the butt seam and made horns embodying the same, but finding that it was cheaper to utilize the lock seam, he changed over to that form (Record 95). Horns made by him embodying both forms of seam are in evidence in this case.

This view of the case was taken by Judge Van Fleet in the trial of the Sherman Clay case, where he instructed the jury as follows:

> "Now while it is true that the drawings of the Nielsen patent show only flanged or butt seams and not the lock seam specifically, and while it is true that the specification described only the flanged seam, nevertheless it is urged by the plaintiff that the lock seam is the equivalent of the flanged or butt seam, and was known as such mechanical equivalent in the tinsmith art long prior to the time when Nielsen made his invention. Now if you are satisfied from the evidence that the lock seam is the mechanical equivalent of the flange or butt seam as a seam and strengthening rib, then the fact that the defendant has substituted and used the lock seam will not be sufficient to disprove infringement of the Nielsen patent; and in this connection I charge you that in patent law two things are mechanical equivalents when they

both accomplish substantially the same results in substantially the same manner, although they may differ somewhat in form and details of construction. The law does not require a patentee to put into his patent all the different forms in which his invention may be embodied. He is required to illustrate in his patent only one form, which must be the best form in which he has contemplated embodying his invention, and after he has done that, then the patent covers other forms which are the mechanical equivalent of the one shown in the patent. And furthermore, in this connection, you have a right to consider the clause in the Nielsen patent, that is:

> 'Changes in and modifications of the construction described may be made without departing from the spirit of my invention or sacrificing its advantages.'

If, therefore, you find that at the date of Nielsen's invention the lock seam was a mechanical equivalent of the flanged or butt seam in the sheet metal art, and that they both accomplish the same result in substantially the same manner as a seam and rib when used in phonograph horns, then you must find that the two things are mechanical equivalents and that the defendant is not relieved from the charge of infringement merely because its horns use the lock seam instead of the flanged or butt seam. In other respects than in the form of the seam and the presence of a rib it is not contended that the defendant's horn differs materially from that covered by the plaintiff's patent."

The jury thereupon found in favor of the plaintiff and the judgment was affirmed by this court, which settles the law on this point (214 Fed. 86).

The contention that the flanged or butt seam and the lock seam are mechanical equivalents can not be denied. They were both old in the art at the time of Nielsen's invention. The flanged or butt seam was shown in the prior patents of *Barnard,* No. 165,912 of 1895; *Bayles,* No. 406,332 of 1889; *Lanz,* No. 561,368 of 1900; *Marten,* No. 738,342 of 1903; *Bock,* No. 722,398 of 1903, and *Penfield,* No. 362,107 of 1887.

The lock seam was likewise old in the art and is shown in the prior patents of *McVeety & Ford,* No. 34,907 of 1901; *Hart,* No. 409,196 of 1889; *Gersdorff,* No. 453,798 of 1891; *McVeety & Ford,* No. 699,928 of 1902, and in numerous patents relating to the manufacture of sanitary cans.

Thus we see that both forms of seam were old in the art. They both produce the same result in substantially the same manner and that they are mechanical equivalents is not open to question. But if any confirmation of this is needed, we refer to the testimony of Baldwin Vale. At page 827 of the record he testified regarding the two seams and their equivalency as follows:

> "I would say that they were mechanically equivalent, as they are alternatives, and a mechanic would choose the form of seam in accordance with the desired result. They are both old in the trade and have been available for the purpose probably for many years prior to Nielsen."

At pages 825-6-7 of the record this witness goes over the whole matter in detail, describing the

BUTT SEAM — ORDINARY FORM

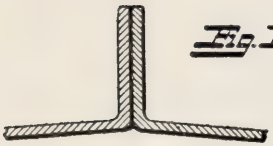


Fig. 1



Fig. 2

BUTT SEAM — MODIFICATION

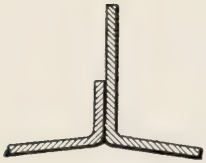


Fig. 3



Fig 4



Fig. 5

LOCK SEAM

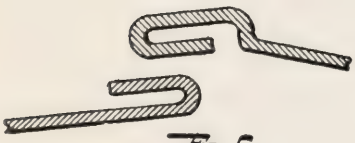


Fig. 6



Fig. 7

method of forming these seams, their purpose and object, and their equivalency. Appellant's witness Hunter admits that both forms were known in the art "for the last forty years" (Record 274). Hence we may safely conclude, as was held by the court in the Sherman Clay case, that these two seams are in the strictest sense of the term mechanical equivalents. This being true, the patent is not limited to the butt seam, but includes and covers its equivalent, the lock seam, or any other seam which operates in the same way and produces the same result. In fine Nielsen's invention does not reside in the form of seam used, but in the combination of certain specified things wherein a seam of some kind was one of the elements.

But after all an analysis of the matter will show that the infringing horn does literally and strictly employ a seam having "outwardly-directed flanges". This we can show by the illustrations appearing on the insert opposite this page. Figure 1 shows the precise construction disclosed in the Nielsen patent drawing, being a cross-sectional view of two adjoining strips of metal having upturned right angle flanges abutting against each other. In figure 2 this same right angle flange of figure 1 is represented as having been bent down flat on the outside surface of the horn. Such bending has not changed the construction in any material respect, and the flanges when bent down as shown in figure 2 are just as truly "outwardly-directed flanges" as the form shown in figure 1. The

flanges are still there, and they are still outwardly directed with reference to the horn. They still connect the two strips together and they still provide longitudinally arranged ribs on the outside of the horn. So far all is plain sailing.

We now invite the court's attention to the second line of diagrams marked figures 3, 4 and 5. These represent a slight modification of figures 1 and 2. Figure 3 is the form of construction shown in the Nielsen drawings with the exception that one of the flanges is longer than the other. Surely that change would not take the structure outside of the patent. In figure 4 we have folded the upper end of the long flange down over the short flange. Neither has this change taken the structure outside of the patent. In figure 5 we have bent the flanges of figure 4 down flat on the body of the horn. Neither has this bending down operation changed the essential characteristics of the joint. Figure 5 shows longitudinal flanges, outwardly-directed joining the strips together, and producing longitudinally arranged ribs on the outside of the horn, and it would be idle to assert that such form is not within the Nielsen patent. In passing it may be noted that the forms shown and illustrated in figures 3 and 4 were old in the art, being shown in the prior patents of *Hart*, No. 409,196 of 1889, figures 6, 7 and 8 thereof, and *Marten*, No. 738,342 of 1903, figure 5 thereof.

Now we advance a step further and invite the court's attention to the two figures constituting the

third line of illustrations. Figure 6 is a cross sectional view of two adjoining strips of metal with hooks formed thereon before they are interlocked for the purpose of forming a lock seam. In order to form the seam the opposing hooks are simply interlocked and hammered down. The result of this operation is figure 7, a lock seam *eo nomine*. But this figure 7 is identical with figure 5, which figure 5 was produced by merely bending down a specific form of butt seam. Figure 7 therefore shows longitudinal flanges outwardly-directed, connecting two strips together, and providing longitudinally arranged ribs on the outside of the horn. It is in the strictest and most literal sense of the term within the language "outwardly-directed flanges". It is needless to remark that this figure 7 represents the form of lock seam shown in the infringing horns. Our conclusion, therefore, is that the lock seam shown in the infringing structure is not only within the true intent and meaning of the term "outwardly-directed flanges", but that it is also within the strict letter of that term.

It is idle to assert that such seam is not composed of flanges. While those flanges are not flat, but are curved, nevertheless they are flanges all the same. It is equally idle to assert that these flanges are not on the outside of the horn, because that is a palpable physical fact. If then, there be flanges, and they be on the outside of the horn, then they are outwardly-directed flanges, because that is all that is

meant by the term "outwardly-directed". In construing the term, the witness Baldwin Vale, says:

> "The expression means that these flanges extend outwardly with reference to the interior of the horn and are on the outside or exterior of the finished horn."

That is undoubtedly the correct view to take, and places the matter beyond the realm of doubt. The appellant's horn has outwardly-directed flanges, and that ends the controversy. Indeed the fact of infringement is so palpable that we do not believe that the appellant seriously questions it.

Reply to Appellant's Brief.

EFFECT OF PRIOR DECISIONS.

Since the foregoing went to print we have received a copy of appellant's brief. The time at our disposal for its consideration is so short that our reply will not be as full as we could wish. But as one must cut his coat according to the cloth, so we must frame our reply brief according to the time at our disposal.

At the beginning of his brief (pages 3 et seq.) counsel gives the status of his case and points out that his client was not a party or privy to the prior litigation, from which he argues that the prior decisions of this court are of no binding effect and that the whole subject-matter of the Nielsen patent is still at large and must be considered by the court *ab initio,* just as though there had been no prior decisons of any knd.

We do not contend that this appellant is bound by the prior decisions as *res adjudicata.* We admit that he may advance anew the old and exploded defenses of the prior litigation. No litigant can be prevented from advancing a defense, however futile it may be, and even though it may have been decided dozens of times in other litigation to which he was not a party or privy. But at the same time if such defenses have already been advanced in litigation against others involving the same subject-matter and there adjudged to be ineffectual, the

court has a right to consider its prior decisions and mete out to the last litigant the same standard of justice which it meted out to the first one. This is based on the ground that there should be some stability to the decisions of a court and not constant reversals, to the end that all litigants, whatever may be their race, color or creed, shall be subject to the same rules of law.

These views are particularly applicable to the case in hand for the reason that a stipulation between these parties regarding the taking of testimony (Record 31) refers to the prior litigation in this court then pending, and then proceeds as follows:

> "Whereas the decisions in the cases may have some influence in the matter of taking testimony herein, and the parties have mutually agreed to extend the time allowed by law for taking depositions under the Revised Statutes until after the decisions of said appeals,
>
> Now therefore, it is stipulated, by and between the parties hereto as follows, etc., etc."

It is apparent from the foregoing stipulation that appellant's attorneys were of the opinion that the decisions of this court in the other cases would materially affect the case at bar, and accordingly they begged extensions of time in which to take depositions in their case. And yet after those decisions were rendered they paid no regard thereto, but conducted their defense just as though there had been no such decisions, and now boldly proclaim that those decisions have no effect as to them and

should be wholly disregarded. It would seem that they used the fact of the pendency of the other cases as a mere pretense for securing delay, with the intent to take advantage of those decisions if they were adverse to us and to wholly disregard them if they were favorable. Our position on the point is that in the interest of uniformity of decisions against different litigants in respect of the same subject-matter this court should hesitate a long time before overruling itself and according to the latest infringer rulings which had theretofore been refused to other infringers. Law should not be one thing for one man and a different thing for another.

It is also urged by appellant's attorneys as another reason why the former decisions should be disregarded, that the Sherman & Clay case was on writ of error in a law action, and the Pacific Phonograph case on motion for preliminary injunction, and that on a writ of error only questions of law can be considered and on appeal from a preliminary injunction only matters of discretion. From this it is urged that the decisions in those cases are of no effect whatever in the present case, which is an appeal from a final hearing in equity where both the law and the facts are reviewable.

In answer to this it is to be noted that in the Sherman & Clay case the court passed upon the validity of Nielsen's patent. The opening sentence of the opinion reads:

> "The first question to be determined is the scope of the invention involved in this case."

Furthermore, the lower court was requested to instruct the jury to return a verdict for defendant on the ground that upon the evidence adduced the patent was void for want of invention, and that there was no infringement. This required the lower court to weigh all the evidence bearing on the questions of validity and infringement and to rule upon its sufficiency. That is what the lower court did, and that is what this court reviewed on the writ of error, following the practice in *Singer v. Cramer,* 192, U. S. 265, and *Prepayment Sales Co. v. Orange County Traction Co.,* 221 Fed. 939. This necessitated a consideration and weighing of all the evidence by this court, and after so considering and weighing it this court says at page 94 of its decision:

> "We conclude, therefore, on this branch of the case, that the motion of the defendant made at the close of the testimony, that the jury be directed to find a verdict in its favor upon the ground that the claims of the patent were void for want of patentable invention was properly denied."

Therefore, when appellant's counsel say at page 3 of their brief:

> "In fact, this court has never felt called upon before this time to pass, directly and judicially, upon the validity of the Nielsen patent; and this court has not yet considered the patentable novelty or lack of patentable novelty of the Nielsen disclosures",

they make statements which are not in accordance with the facts. No one can read the decision of this court in the Sherman & Clay case without coming to the conclusion that the court did pass directly and judicially upon the validity of the Nielsen patent.

And in respect of the decision in the Pacific Phonograph case, while it is true that it was on appeal from a motion granting an injunction, and that such motions rest largely in the discretion of the court, nevertheless it is to be remembered that even upon appeals of that character the power of the court to adjudge the patent invalid and to order the bill dismissed is plenary. Indeed, the contention in the brief of the Pacific Phonograph Co.'s case was that the patent was void and that the bill should be dismissed. They were not content with asking that the order granting the preliminary injunction be reversed, but coupled therewith a specific prayer that the patent be declared void and the bill be ordered dismissed. Now inasmuch as this court rendered its decision in the Sherman & Clay case at the same time and in and by said decision held that the patent was not void, but was good and valid, we think that that decision should be taken in connection with the decision of the Pacific Phonograph Co.'s case, and when so taken it imports into the latter decision, at least inferentially, an adjudication of validity. But as already remarked, we do not claim for these prior decisions the effect of *res adjudicata*. What we do

claim is that they are entitled to be considered on this appeal and that due weight must be given to them as precedents, and if it appears that the facts of the present case are not substantially different from the facts in the other cases, then those decisions should be given controlling effect.

NO NEW DEFENSES ADVANCED.

We now take up appellant's brief in detail, from which (p. 3) it appears that the following defenses are made, viz.:

(1) *Lack of patentable novelty and invention, in view of the prior art.*

(2) *Non-infringement in view of the limited scope of the Nielsen patent (if valid).*

(3) *Laches.*

There is nothing new in any of the above defenses. They were all urged and adjudicated in the prior litigation. The answer here is practically copied from that in the Pacific case. In the Sherman & Clay case these defenses were urged by Horace Pettit, Esq., an eminent patent attorney of Philadelphia, and in the Pacific Phonograph case by Louis Hicks, Esq., an eminent patent attorney of New York. A reference to their briefs on file in those cases will substantiate our assertion. Thereafter, Mr. Bull of New York, another eminent patent lawyer, came to San Francisco for the purpose of arguing the same defenses in the Pacific

Phonograph Co.'s case on final hearing, but he prudently declined the issue and returned to New York without making an argument. Thereupon Mr. Davis of Chicago, another eminent patent lawyer, took the place vacated by Mr. Bull in that case and argued the same defenses in the lower court without success. An appeal was taken from the decree in that case but has been abandoned, which we consider to be a clear intimation from the appellant therein that the decree would have been affirmed if it had gone to argument. In the Sherman & Clay equity case also an appeal had been taken and abandoned without argument.

Now, at the eleventh hour, another Richmond appears in the field, Mr. Massie of New York, an eminent patent lawyer, and he urges the same old defenses which had been adjudicated in some of the cases and abandoned in the others. He says in his brief that this case presents new defenses; but in that assertion he is not correct. There is no new defense advanced by him, and a comparison of his brief with the briefs of Messrs. Pettit and Hicks and of the pleadings in the other cases will settle this point.

We now take up the defenses *seriatim*.

ALLEGED INVALIDITY OF THE NIELSEN PATENT.

Appellant's argument is so disjointed and devoid of logical sequence that we have experienced no little difficulty in reducing it to compact form. Re-

arranging it in logical order, it appears to be based on the following contentions: (1) *That the patent is anticipated in toto by prior patents and publications;* (2) *That if not anticipated, then it is void for want of invention because* (a) *it is merely a change from a unitary structure to sectional structure,* (b) *because it is merely the product of mechanical skill,* and (c) *it is a mere double use.*

Before undertaking to apply the prior art the learned counsel first undertakes to ascertain what is the Nielsen invention. Right there he makes his fundamental error. He apparently does not understand what the Nielsen invention is, or, if he does understand, he does not correctly set it forth. With a false and insufficient conception of the invention firmly lodged in his mind, it is not surprising that his subsequent conclusions were erroneous. Whoever starts out with a false premise must necessarily reach a false conclusion.

APPELLANT'S MISCONCEPTION OF THE INVENTION.

At pages 33-35, he argues that the Nielsen horn has only two limitations, viz.: "(1) it must have longitudinal strips or gore-sections, and (2) at their lines of juncture must be external longitudinal ribs or seams". And at pages 33-34 he says "The entire invention consists of only these two features, viz.: (1) The longitudinal gore-sections, (2) The external ribs or seams along the junctures of the sections".

And at page 35 he says: "In short, Nielsen has merely a *sectional* horn, suitably braced and stiffened to keep it from being too flimsy and tinpanny".

The above views are wholly erroneous. They leave out of consideration the facts that the Nielsen horn is made of metal, that the sections taper outwardly gradually from the inner to the outer end but with a more abrupt taper at the outer end, that the horn is of bell shape, and that when all of these elements are joined together a horn is produced which was new in the art. Certainly on this point the prior decisions must be controlling. We find that in the Sherman & Clay case, Judge Van Fleet instructed the jury as follows:

> "The essential characteristics of the Nielsen horn are the following:
>
> 1. It must be composed of a multiplicity of metal strips secured together at their longitudinal edges by a seam.
>
> 2. The seam must be of such construction as to produce longitudinal ribs on the outer surface of the horn.
>
> 3. The strips are narrower in cross section at the inner end than at the outer end.
>
> 4. The strips must curve outwardly from the inner to the outer end, but the curve is more abrupt adjacent the outer end.
>
> Now, combining these elements together in this way Nielsen produced a horn for phonographs and similar machines larger at one end than the other and having substantially a bell shape and abruptly flaring outlet, made up of longitudinally arranged metal strips secured together at their outer edges by a seam of such

> character as to produce longitudinal ribs on the outer surface."

This instruction was held by this court to be correct. In describing the Nielsen horn this court said at page 93 of its decision:

> "The patent of Nielsen described a horn composed of a plurality of strips of metal, joined together along their longitudinal edges by means of outwardly directed flanges. In the horns in use at the date of Nielsen's patent the angle assumed by the tapering sides remained the same throughout the entire length of the horn. In the Nielsen horn the strips of metal, as has already been explained, were so shaped that when joined together the form assumed by the horn was that of a bell, or, as designated by the inventor, a flower."

There can be no mistaking the meaning of this language. The Nielsen horn is not only composed of metal strips joined together at their longitudinal edges by a seam of such construction as to provide longitudinal ribs on the outside of the horn, but those strips must curve outwardly from the inner to the outer end so as to produce a bell shape. Neilsen was the first in the art to produce an outwardly-flaring, bell-shaped, sectional, metal horn with ribs on the outside joining the sections together, and yet the learned counsel gravely informs us that the sole and only characteristics of the Nielsen horn are *longitudinal strips* and *external longitudinal ribs*. Such a definition would be met by a paper cylinder composed of longitudinal sections having upturned edges constituting external ribs. The

reason why counsel gives this restricted definition to the Nielsen invention is to make it fit certain structures of the prior art made of paper, wood, celluloid, glass and other materials. The fallacy of counsel is apparent. He starts out with a fundamental error. His premises are wrong, and necessarily his conclusion is of the same character.

Not only does counsel start out with a fundamental error of fact but also with a fundamental error of law. He attempts to anticipate the Nielsen combination by pointing out that each of the elements of the combination was old. These elements he says are the *material* of which the horn is made, the *shape* of the horn, the *mechanical construction* of the sections of the horn, and the *function* of the horn. He says that while Nielsen's horn was made of metal, it was old in the art to make phonograph horns of metal; that while Nielsen's horn is bell-shaped, it was old in the art to use bell-shaped horns; that while Nielsen's construction of the sections was such as to produce stiffening external ribs, they had previously been employed in phonograph horns and other devices; that the function of the Nielsen horn was to act as an "inert conduit" for the passage of sound waves therethrough, and that such was the function of all prior horns. He then argues that inasmuch as all of these elements were found scattered throughout the art, some in one and some in another device, therefore, Nielsen was anticipated. In other words, he endeavors to anticipate a combination by show-

ing the prior existence of each of the elements separately. Of course it is not necessary to cite authorities against this palpable error.

Another fundamental error made by counsel regarding anticipation is the assertion that in considering a prior patent the court may "read into it" something which is not there. Applying this theory, the counsel says that in the prior patents which specified horns made of wood or paper, the court must read into them that the horns there disclosed may also be made of metal. In other words, where a prior patent specifically says that the horn is made of wood or paper, there may be read into it the additional statement that it may be made of metal, thus establishing the proposition that the disclosure of a paper horn is the disclosure of a metal horn. In this way counsel claims that the prior patents showing paper, wooden, glass and cardboard horns are anticipations of Nielsen's patent for a metal horn. There could not possibly be a more vicious error committed, and we marvel greatly that a counsel of such wide experience in patent matters as we take the counsel for appellant to be, could be guilty of such a monstrous error.

It is fundamental that a prior patent or publication is effective as an anticipation only for what its shows, and that it is not allowable to read anything into it which is not there. The disclosure must be full and complete in and by itself. It must be taken at its face value and can not be helped out by extrinsic evidence.

From Judge Cox's opinion in *Badische Analin & Soda Fabrik v. Kalle,* 94 Fed. 163, we read:

> "Unless the prior publication describes the invention in such full, clear, and intelligible terms as to enable persons skilled in the art to comprehend it, and reproduce the process or article claimed, without assistance from the patent, such publication is insufficient as an anticipation."

And at page 168 of said report, we find the following:

> "If prior patents and publications can be reconstructed by extrinsic evidence to fit the exigencies of the case, the inquiry will no longer be confined to what the publication communicates to the public, but it will be transferred to an endeavor to ascertain what its author intended to communicate. The question is, what does the prior publication say? Not what it might have said or what it should have said. The court has simply to consider what the publication in question has contributed to the art. If it fails to show the invention which it is said to anticipate, the contention that its author knew enough to write an anticipation and intended to do so is grotesquely irrelevant. Were such a rule established the law upon this subject would be thrown into inextricable confusion."

In that case on appeal, 104 Fed. 802, the syllabus says:

> "A prior publication, referred to as an anticipation, must be given effect in accordance with what it actually communicates to the public, and expert testimony cannot be received for the purpose of showing that statements therein made were erroneous, and to give

> it the effect it would have if reconstructed so as to disclose matters which it might or should have stated, but which it in fact did not."

From *Loew Filter Co. v. German-American Filter Co.,* 164 Fed. 860, we read:

> "The Zimmer publication must be given effect as an anticipation only to the extent that it actually gave to the public information of a process of filtration. It is not competent to read into such a publication information which it does not give, or by expert opinion explain an otherwise uninforming statement by evidence of some apparatus or article not itself competent as an anticipation."

From *Naylor v. Alsop Process Co.,* 168 Fed. 920, we read:

> "When it is sought to ascertain the state of the art by means of prior patents, nothing can be used except what is disclosed on the face of those patents. Such patents cannot be reconstructed in the light of the invention in suit, and then used as a part of the prior art. * * * Prior patents are a part of the prior art only by what they disclose upon their face."

In *Beckwith v. Malleable Iron Range Co.,* 174 Fed. 1009, affirmed on appeal in 189 Fed. 74, it is said:

> "It is elementary that when it is sought to ascertain the state of the art by means of prior patents, nothing can be used except what is disclosed on the face of those patents. Such patents can not be reconstructed in the light of the invention in suit and then used as a part of the prior art."

And as late as December, 1915, we find the Court of Appeals of the Sixth Circuit saying in *Munising v. Sulphite Co.,* 228 Fed. 700, 703:

> "Prior patents are part of the prior art only by what they disclose on their face."

Citations might be continued indefinitely. The rule of law is an elementary one, and yet the learned counsel for appellant insists that he has a right "to read into" the prior patents something which is not there, in order to make out an anticipation. In a prior patent for a phonograph horn showing *paper* sections secured together by a *cloth* hinge, he says we must read into it *metallic* sections secured together by a *lock seam;* also that in a prior patent for a phonograph horn made of *wooden* sections secured together by *glue* and being in the form of a polygon *without any outward flare,* we must read *metal* sections instead of wooden sections, secured together by *lock seams,* and having an *outward flare* resulting in a bell shape. It is only in this way that he is enabled to spell out an anticipation from the prior patents. We fear that his reputation as a patent attorney can not have been well earned if we are to gauge it by the soundness of such argument.

The contention of anticipation is so preposterous that we shall not dwell upon it further, but shall proceed to the next defense, that of

ALLEGED INVALIDITY IN VIEW OF THE STATE OF THE ART.

This defense means that even if there is no technical anticipation, nevertheless the state of the art

was such as to preclude the exercise of the inventive faculty on the part of Nielsen in producing his horn. To put it in another way, the contention is that any mechanic skilled in the art could have produced the Nielsen device by the mere exercise of his mechanical skill without the aid of the inventive faculty. The process of argumentation pursued by appellant in this behalf is to pick out from the prior art the various elements of Nielsen's combination separately and individually, one from one patent, another from another, and still another from another patent, and so on, and with this data he builds up a composite structure representing the Nielsen horn, and then triumphantly explains that he got it all from the prior art merely by the process of selection. Such a course has been repeatedly condemned by the courts as wholly improper, and in that behalf we refer to the following language of the Court of Appeals for the 8th Circuit in *Naylor v. Alsop*, 168 Fed. 917:

> "The prior art that has been brought to our notice is mainly literary. Defendants have ransacked patent offices in America and Europe, and brought together a formidable collection of patents. Many of them are paper patents, and others relate to remote arts. Piecing together excerpts and elements from this wide search, they have built up a formidable speculative argument to show how simple and easy was the step taken by Andrews. This is a form of argumentation familiar in patent litigation. Though it seldom succeeds, it is often the only recourse of the infringer. The patent law, however, has its proper place in the realm of actual industrial life and not in the limboes

of parchment casuistry. The merit of a patent is to be determined, not by its standing in dialectics, but by its actual effects in the art to which it belongs. Judged by that test, the Andrews invention was revolutionary. Within five years after its discovery it had been generally applied in the milling business, both in this country and abroad. It accomplished a new and desired industrial result simply, cheaply, and efficiently. In the presence of such an experience, speculative arguments based on the prior art can seldom prevail."

CHANGE FROM UNITARY TO SECTIONAL STRUCTURE.

The first particular wherein the Nielsen device is said to be void for want of invention is the statement that his horn is merely a change from a unitary structure to a sectional structure, and then follows a citation of authorities to the effect that it is no invention to construct an article out of several pieces which was formerly constructed out of one piece (Brief, p. 16).

That rule relates purely to a matter of mechanical construction where the change of construction does not change the article nor its function, but results only in greater cheapness, or convenience, or some such matter as that. Where the change of construction results in a change of function, a new result, then the rule has no application, but a wholly different rule applies. The other rule referred to is laid down by the Supreme Court in *Loom v. Higgins*, 105 U. S. 591, as follows:

> "It may be laid down as a general rule, though perhaps not an invariable one, that if a new combination and arrangement of known elements produce a new and beneficial result, never attained before, it is evidence of invention."

Such is the case here. Prior horns had been constructed of one piece, or, to use the words of counsel, were a unitary structure. The result was an imperfect reproduction of sounds accompanied by "metallic resonance or tintinnabulation". Nielsen constructed his horn of a plurality of metal strips united together in a certain way and having a certain specific shape and form, with the result that he secured a horn which would reproduce musical sounds without "metallic resonance or tintinnabulation". This was a new and useful result. No metal horn was ever known before which produced that result, and Nielsen's metal horn was the first in the art to produce it. He did not merely produce a horn which was easier of construction, or cheaper in price, or more convenient in handling. Indeed his horn was more difficult of construction and higher in price than the prior horns. But his horn produced a new and useful result which made instantaneous appeal to the entire art.

At page 35 of his brief counsel asserts that where a patent relies for validity upon a new functional effect, it can be sustained only upon proof that this new functional effect was not only novel but also unexpected *a priori*. Even this argument is met by the Nielsen patent, for the witness Merritt

testifies, at page 120 of the record, that prior to Nielsen the idea was prevalent in the phonograph trade that the defect of the metal horn could be eliminated by making it as seamless as possible, and that the belief was that the presence of seams caused a rattling or vibration which interfered with the purity of certain tones, voices, and instruments, and that the greatest purity of tone could be attained by making the horn seamless, for which reason the brass horns of the prior art were made without any seams. Now Nielsen adopted the directly opposite idea, to wit, that the horn must be made in sections, with a large number of seams, provided with exterior ribs. Therefore, his idea was in the words of appellant's counsel "not only novel but also unexpected *a priori*". We thank the counsel for having referred to this matter, for it otherwise might have escaped us. Unintentionally he has furnished the strongest kind of an argument for the validity of the Nielsen patent.

NEW RESULT PRODUCED BY NIELSEN.

In this connection appellant's counsel denies that the Nielsen horn produces any new result, or causes any acoustic improvement. At page 36, he says:

> "We are unable to find in the record (nor have we any knowledge of) a single bit of competent legal proof that Nielsen's horn gives any acoustic improvement; on the other hand the record contains overwhelming affirmative proof to the contrary."

After making this broad statement he immediately proceeds to quote the testimony of our witnesses, Locke, Merritt, Pettit and Vale, which negatives his own assertion. He condemns Locke's testimony with the assertion that he is the president of the plaintiff corporation, for which reason presumably he is not entitled to any consideration.

He disposes of Pettit by saying he is a "young man", who had been a salesman of phonograph supplies. Apparently Mr. Pettit's youth is to be charged against him as a disqualification. The record (156) shows that he is 39 years old. Whether that age makes him too young to testify we leave to the consideration of the court. But it does appear from Mr. Pettit's testimony that he was connected intimately with the phonograph art since 1897 (Record 156) and that he was thoroughly familiar therewith, and with phonograph horns.

Counsel disposes of the testimony of Vale by the assertion that he is "a young man in the employ of plaintiff's counsel". By reference to page 816 of the record it appears that Mr. Vale is 39 years of age, and as counsel had already in the case of Mr. Pettit taken the position that such age was too immature, he now repeats the objection in regard to Vale.

In respect of the assertion that Mr. Vale is "in the employ of plaintiff's counsel", that we positively deny. He is not in the employ of plaintiff's counsel, but is engaged in the prosecution of his profession independently and for himself. He

happens to have offices adjoining those of plaintiff's counsel and that is the nearest he comes to being in the employ of plaintiff's counsel.

The testimony of our witness Merritt is disposed of by the assertion that it relates only to questions of opinion. The unsoundness of that contention will be apparent from reading the testimony of Mr. Merritt, which begins at page 108 and extends to page 137.

A further fling is taken at the testimony of the witnesses named, at page 40 of the brief, by the remark: "It will be observed that these depositions of plaintiff were all given *ex parte*". The facts in regard to that matter are that the appellant's attorneys were duly notified of the taking of these depositions in the usual and ordinary manner, but for some reason of their own they did not appear at the direct examination of the witnesses. This was certainly no fault of ours. But it further appears that at a subsequent day defendant appeared through the eminent attorney, Mr. J. Edgar Bull, and cross-examined the witnesses to his heart's content. The cross-examination begins at page 168 and ends at page 198.

Appellant's counsel, at page 40 of his brief, alleges that the testimony of plaintiff's witnesses shows "irrefutable instances of coaching". We shall not stop to bandy words with counsel on this subject, but content ourselves with saying that the charge is unworthy of counsel and should not have been made.

At page 40 he makes the broad assertion that the testimony of Pettit and Merritt, "aside from the unsatisfactory and incompetent testimony of Mr. Vale", is the only testimony in the record as to the acoustic advantages of the Nielsen horn. Surely counsel could not have read the record in its entirety, and we venture to refer him to the additional bits of testimony appearing therein on the subject.

Edison Advertisement of Dec. 15, 1907:

> "The new horn and crane of the Edison phonograph affords just the needed touch. The one thing which the Edison phonograph needed to make it complete has been added—a large, handsome, prettily shaped horn, supported by a nickel-plated swinging crane. Each model has been so equipped, etc."

Edison Advertisement of Jan. 15, 1908:

> "The horn is large, handsomely shaped, and exactly adjusted to the instrument's needs."

Edison Advertisement of March 15, 1908:

> "The new horn of the Edison phonograph meets a long felt want. This new horn is big, shapely, and handsome. It sets the instrument off and gives to the reproduced sounds a clearness and sweetness not possible with other horns."

Federal Mfg. Co. Advertisement:

> "A revolution in the phonograph horn. At last the Ideal horn has come. A scientific device, aiming at a pure, melodious reproduction of sound. * * * Besides, it eliminates all the bad points of the previous horns."

DEFENSE THAT NIELSEN'S INVENTION IS MERELY THE PRODUCT OF MECHANICAL SKILL.

Considering now the second contention that the Nielsen patent is invalid, as being the product of mere mechanical skill as distinguished from the inventive faculty, counsel works out his theory by showing that the separate elements of the Nielsen combination were old in the art, and he points out that it was old in the art to use metal as a material for phonograph horns, that it was old in the art to use a bellshape, that it was old in the art to join two pieces of metal together by longitudinal seams, that it was old in the art to use horns as inert conduits for the passage of musical sounds. He then pieces together all these various, scattered disconnected elements into a composite structure and then declares the same to be the product of a mechanic and not of an inventor.

The vice of this argument consists in assuming that the Nielsen invention was purely and simply a mechanical problem. Possibly if a mechanic had been told to build a metal horn in sections joined together, he could have done so, because the process of joining two pieces of metal together was well known. But that was not the whole problem which confronted Nielsen. The problem which confronted him was how to construct a metal horn which would obviate "metallic resonance or tintinnabulation", and he conceived the idea, never before thought of, that this end could be attained by making the metal horn in sections. A useful

invention, in the sense of the patent law, resides in the initial mental conception of the result to be attained followed by the concrete embodiment thereof in mechanical form. Invention, therefore, in the sense of patent law is of a dual character. Mental conceptions alone are not useful inventions; neither are mechanical embodiments alone and by themselves new and useful inventions. The two things must be combined. Nielsen had the metal conception that the result which he desired could be attained by a certain construction of a metal horn, and he completed the idea by embodying it in the sectionally-constructed horn. That completed the process of invention and the result was a new and useful invention. It is idle to argue that any mechanic could have made the sectional metal horn if requested to do so. The problem was first to conceive the idea that the result could be attained by a sectional metal horn, and then it was an easy matter to construct such a horn. The invention resulted from the work of both head and hand. The head conceived it, while the hand put it into concrete form and made it useful to mankind. The pertinent inquiry, therefore, should be whether a mechanic could have made the original conception, and, after having made it, could he have embodied it in concrete form? It is clear beyond dispute that prior to Nielsen no other person had this conception, because other workers in the art tried to attain the result by other means. Sheble tried to obtain the result by covering the unitary metal horn with a cloth covering so as to absorb the vibrations.

Edison tried by wrapping his horns with tape. Others tried to obtain the result by discarding metal as a material and adopting paper, wood, cardboard, glass, papier maché, fiber, and such like. None of them had the Nielsen conception. He is clearly entitled to be called an inventor. As was said by the Supreme Court in *Potts v. Creager,* 155 U. S. 608:

> "And this is not the less true if, after the thing has been done, it appears to the ordinary mind so simple as to excite wonder that it was not thought of before. The apparent simplicity of a new device often leads an inexperienced person to think that it would have occurred to any one familiar with the subject; but the decisive answer is that with dozens and perhaps hundreds of others laboring in the same field, it had never occurred to any one before."

And in *Webster Loom Co. v. Higgins,* 105 U. S. 591, it is said:

> "Now that it has succeeded, it may seem very plain to any one that he could have done it as well. This is often the case with inventions of the greatest merit. It may be laid down as a general rule, though perhaps not an invariable one, that if a new combination and arrangement of known elements produce a new and beneficial result never attained before, it is evidence of invention."

And in the case of *Expanded Metal Co. v. Bradford,* it is said:

> "It may be safely said that if those skilled in the mechanical arts are working in a given field and have failed after repeated efforts to

> discover a certain new and useful improvement, that he who first makes the discovery has done more than make the obvious improvement which would suggest itself to a mechanic skilled in the art, and is entitled to protection as an inventor. It is perfectly well settled that a new combination of elements, old in themselves, but which produce a new and useful result, entitles the inventor to the protection of a patent."

If, therefore, the argument be sound that the Nielsen idea is one which would have occurred to any skilled mechanic turning his attention to the subject, why is it that it did not occur to Edison, Hawthorne, Sheble, Emmons, George, Kaiser, Lawrence, Senne, Miller, Meeker, Stewart, and appellant's star witness, Mr. Rudolph M. Hunter, who is styled by appellant's counsel as "the celebrated talking machine expert"? We leave appellant's counsel to answer this question if he can.

In this connection we read from *Keystone Manufacturing Co. v. Adams*, 151 U. S. 144-5:

> "Where the patented invention consists of an improvement of machines previously existing, it is not always easy to point out what it is that distinguishes a new and successful machine from an old and ineffectual one. But when, in a class of machines so widely used as those in question, it is made to appear that at last, after repeated and futile attempts, a machine has been contrived which accomplishes the result desired, and when the patent office has granted a patent to the successful inventor, the courts should not be ready to adopt a narrow or astute construction fatal to the grant."

THE PRIOR ART RELIED ON BY APPELLANT.

We have now arrived at the point of considering the prior art in detail as outlined in appellant's brief. We shall not follow the exact order of references as given by him, but the more logical one of proceeding step by step in the development of the art.

1. *The Conn patent, No. 624,301, of 1889,* is discussed at page 52 of his brief. This patent was not put in evidence, nor does it appear in the record. This fact, however, does not deter counsel from urging it as a part of the prior art in limitation of Nielsen's invention, his theory in that behalf apparently being that the court will take judicial notice of it. Such a proceeding is not allowable. The court does not take judicial notice of patents which are not put in evidence. We never saw the Conn patent. We know nothing about it, and we must respectfully decline to discuss it.

2. *The Berliner patent, No. 534,543, of 1895.* Counsel has interleaved opposite page 53 a cut from the Berliner patent showing a horn, and the same appears to be a bell shape. The Berliner patent does not relate to the horn, but to the method of recording vocal and other sounds. A horn is illustrated in the drawing, but not described in the specification other than by designating it "a sound-conveying trumpet 95, the flaring end 96 of which is turned towards the listener" (lines 9 and 10, page 5 of the specification). The material of which the horn is made is not specified, its construction

is not shown or given. It may have been made of metal, but the patent does not state. It is more likely that it was made of paper or cardboard or hard rubber. Counsel says at page 53 of his brief that "it was possibly composed of some combination like hard rubber", and yet he gravely asserts that we must read into the patent a horn made of sheet metal. All we know from the patent is that it is a *sound-conveying trumpet with a flaring end.* We know what a trumpet is, and it would seem, therefore, that the Berliner horn was of trumpet form similar to a musical trumpet made of some kind of undisclosed material, of a single piece without any sections or ribs. Consequently, there is not sufficient information in the Berliner patent to direct a person how to construct a Nielsen horn.

But still further, it is well settled that a drawing alone without verbal description is insufficient to anticipate a patent.

> "It has been frequently held that drawings alone, unaccompanied by letter-press description, will never invalidate a patent."
>
> *New Process Co. v. Koch,* 21 Fed. 587;
> *Seymour v. Osborne,* 11 Wall. 555;
> *Reeves v. Keystone,* 5 Fish. 456;
> *Mosler v. Lurie,* 209 Fed. 364;
> *Gray v. Baird,* 174 Fed. 417;
> *Uhlmann v. Bartholomae,* 41 Fed. 138.

3. *Myers patent, No. 647,147, of 1900.* This invention shows a plurality of horns attached to a single phonograph for the purpose of projecting the

sounds in different directions. It is stated in the specification that the use of the single horn was defective, because it projected the sound in one direction only, and that the object of the invention was to remedy that defect by projecting the sound in all directions by the use of a plurality of horns on a single instrument. The specification says (line 47, page 2) that the horn "is made of cardboard or some light and durable material", and is constructed by cutting the cardboard into sections, laying edge to edge on a piece of textile fabric, and then gluing, after which the structure thus made is folded in the shape shown. In other words, it is a foldable horn made of cardboard strips glued together. Clearly there is nothing here of relevancy, and the only way in which counsel can *read out* of the Meyers patent any relevancy whatever is to first *read into it* metal strips joined together by outwardly-directed metal ribs in place of the cardboard strips, and this the counsel does in the light of the subsequent invention of Nielsen.

4. *The Runge patent, No. 692,363, of 1902.* The horn of this patent is called a "sound trumpet" and its form is that of the old B & G horn, a conical tube with an attached bell. The specification says that it is made of "any suitable material, preferably *non-metallic*—such, for instance, as tough paper, thin fabric, or celluloid". The body portion is made of a single sheet wrapped around a conical mandrel. There is nothing of relevancy in this patent, and again counsel has to read into it something which is not there.

5. *The Cairns design patent, No. 10,235, of 1877.* The object of this patent is stated to be a speaking trumpet. The specification calls it a tube, which is said to have the form of a truncated polygonal pyramid. The patent does not show of what material the implement is made nor its method of construction. It is a design patent merely for a speaking trumpet, intended to cover merely the polygonal form shown. We might speculate as to the material and as to the mode of manufacture, but speculation is not anticipation. Counsel says, at page 56 of his brief, that the implement is manifestly composed of sheet metal, but whether that be true or not he reads into the patent that feature. Even if this were allowable, it would not help matters, because then he would have to read into the patent not only sheet metal as a material but sheet metal in sections joined together by external ribs, and also a bell shape, which of course is not allowable. We have often heard that the naturalist Cuvier could from a single small bone conceive and build up the entire form of a pre-historic animal; but we venture to suggest to counsel that there is no such rule of patent law.

6. *McVeety & Ford, No. 34,907, of 1901,* and *No. 699,928, of 1902.* These patents are for a ship's ventilator, used to discharge the foul air from the hold of a ship. The first patent is for a design; the other for a mechanical construction. It is stated in the specification that the shape of the ventilator is that of a curved tapering figure in the form of a

cornucopia. A cornucopia is the ancient horn of plenty from which the goddess Fortuna was supposed to dispense her gifts among her votaries. Its form is too well known to require description. It is ordinarily made from a single piece of material, but McVeety & Ford propose to make theirs from strips of metal joined together at their edges by the ordinary lock seam of the tinsmith's art. These sections are straight for a portion of their distance and curved for the remainder. Counsel says that these patents are relied on for showing a prior mechanical construction available to Nielsen. If it was available to Nielsen, he did not adopt it. The shape and form are different from Nielsen's.

But a conclusive answer to this reference is that it is not for a phonograph horn nor for a device analogous to a phonograph horn, but is for a ship's ventilator to draw up by suction from the hold of the ship the foul, noisome fumes and gases which are there generated. Not only is the specific construction different from that of Nielsen, but the function of the device is wholly different, and it is stretching one's credulity beyond the bending point to assert that this ship's ventilator for carrying away poisonous vapors would naturally and spontaneously and without the exercise of the inventive faculty suggest the Nielsen horn. The two things are not analogous. This court fully considered the matter in the Sherman & Clay case where these patents were relied on, and in respect of these

patents, as well as of others in non-analogous arts, said:

> "The very obvious objection to these patents as tending to prove that the patent issued to Nielsen for phonograph horns was void for anticipation is that they were all for articles other than phonograph horns, and, consequently, qualities claimed by Nielsen to be resultant in a phonograph horn by reason of the arrangement of strips of metal in a certain manner, and fastened together in a specified way, would be entirely lacking in any other instrument or article formed in any manner whatsoever. We shall not, therefore, attempt to set forth the distinguishing features of, or draw comparisons between, the horn for phonographs and similar machines patented by the letters issued to Nielsen, and the articles described in various American and British patents introduced in evidence. Such a procedure would serve no useful purpose, nor would it assist us in any degree to a solution of any of the questions arising on this appeal."

7. *The Cockman patent (British) No. 5186, of 1903.* This is a wooden horn, stated to be made from "pine wood, such as is used in violins, mandolins and the like". The wood is cut in strips and glued together at their edges producing a conical shape. It is stated that the wood of which the trumpet is made greatly decreases in thickness from the neck to the mouth in order that it may act by its own vibrations to reinforce the vibrations of the air in the vicinity of the large end, and it is further stated in the specification "the strips of wood forming a trumpet are as before stated cut *on the quarter* and in this way the trumpet is treated like a musical

instrument". The fundamental idea of the patent is the use of wood instead of metal. Indeed the specification begins by saying that theretofore phonograph horns had usually been made of sheet metal and that they consequently possessed very inferior resonant qualities producing a very objectionable metallic sound which obscures the qualities and characteristics of the sound of the instrument or voice whose tones are being reproduced. To obviate these difficulties Cockman proposes to make his horn from wood, whereby he says that the qualities of the tones are greatly improved, metallic noises are avoided, distinct articulation is obtained, and minute vibrations are brought out. Then follows his statement as to making it from wood, etc. Consequently, there is nothing in this reference of any materiality, and the only way in which counsel derives any comfort from it is his statement that there must be read into the Cockman patent metal strips instead of wooden strips.

8. *The Marten patent, No. 738,342, of 1903.* Why this patent was cited passes our comprehension. It merely shows the old style B & G horn, consisting of a cone made of a single piece of metal with a spun brass bell attached by a circular seam. It is the horn which was superseded by the Nielsen horn.

9. *The Sheble patent, No. 759,639,* applied for July 21, 1903. This patent shows the old B & G horn with an outside covering of fabric designed for the purpose of absorbing the metallic vibrations

and thereby overcoming the defect of the prior art which Nielsen overcame. This patent is the very strongest kind of evidence which could be adduced showing the validity of Nielsen's patent. Sheble was an expert in the art. He noticed the presence of "metallic resonance or tintinnabulation" in the old B & G horn which rendered that horn defective. He undertook to remedy it, and his theory was that by covering the old B & G horn with a closely adhering fabric the metallic vibrations of the horn would be absorbed. It proved to be a flat failure and the horn was soon discontinued. Nielsen, coming afterwards, noted the same defect in the old B & G horn and undertook to remedy it in a different way, viz.: by constructing his horn of separate metallic strips joined, shaped, and curved to form the bell-shaped horn shown in his patent. This proved to be the correct theory and his horn superseded the Sheble and other horns of the prior art. The assertion of counsel is that the remedy provided by Nielsen for the known defect of the prior art horns was not the product of invention, but only mechanical skill, and that any person skilled in the phonographic art could have done the same thing. Yet we find Sheble, a most highly skilled mechanic in the phonograph art, trying to remedy the defect by other means, which proved ineffectual, and he never once suggested the remedy provided by Nielsen.

10. *The Gersdorff patent, No. 453,798, of 1891, and No. 491,421, of 1893.* These patents are for a

funnel used for filling receptacles with liquid. Ordinarily funnels are constructed of a single piece of metal or of two pieces secured together by longitudinal seams. Gersdorff proposed to construct his funnel of three pieces, joining the meeting edges of these pieces by a lock seam and soldering them together. This device relates to a distant and non-analogous art, and is fully covered by the remarks of this court in the Sherman & Clay case at page 94 heretofore quoted, which refers to devices found in other arts. The point for which appellant's counsel cites it is that of double use, and we shall consider these patents further when we come to that point of our brief.

11. *The Villy patent, No. 739,854, of 1903, and reissue of 1906.* Much space is devoted by counsel to this patent, but the subject-matter is fully disposed of by reference to the following quotation from the decision of this court in the Sherman & Clay case at page 95, viz.:

> "The object of the Villy patent, as set forth in the specification, was to provide a horn or trumpet like device which could be folded when not in use so as to be capable of ready transportation, and which could be placed within the case of the phonograph, or in the pocket of the user, when it was to be applied to an ear instrument, or the like. The horn was to be made of a series of strips of paper, wood, linen, or other preferably flexible material, and there was to be a hinge-like connection between each of the strips. In substance, the claims of the patent for a collapsible but self-sustained phonograph horn, ear trumpet, or the like,

composed of a number of flexible strips having curved meeting edges and flexible connections between such edges. In brief, the great object of the Villy patent was a horn made of strips of flexible material joined by means of flexible connections at the edges in such manner that the whole would be collapsible. There was not involved in the Villy patent, as in the horn described in the Nielsen patent, the problem of preventing tintinnabulation or metallic resonance; and, indeed, in a horn composed of strips of paper, wood, linen, or other flexible material, such as Villy proposed to use in the structure of his horn, no precautions against tintinnabulation would, in the nature of things, have been necessary. In the material of which the strips were to be made, in the method by which they were to be joined, and in the primary object to be attained, the Villy and the Nielsen horns were vastly dissimilar. The Villy horn was made of strips of paper, wood, linen, or other flexible material; the Nielsen horn was made of strips of metal. The strips of the Villy horn were joined at their edges with flexible connections; the strips of the Nielsen horn were connected at their edges by means of longitudinal outwardly-directed flanges, forming a solid rib or seam on the outside of the horn. The primary object sought in the Villy horn was that it might be collapsible; the great object of the Nielsen horn was the prevention of metallic resonance or tintinnabulation. In no sense, as we view it, can the horn described in the Villy patent be deemed an anticipation of the horn described in the patent to Nielsen."

These views are clearly correct. The Villy patent has no relevancy whatever to the Nielsen invention save and except that it shows the bell-shaped form; but inasmuch as Nielsen does not claim such form

per se, the Villy patent becomes worthless for any purpose except as showing one of the many failures of the prior art. The sole object of the Villy invention was to provide a horn which could be folded up and stored away in a box when not in use and unfolded and attached to a phonograph when in use. To that end it consists of strips of paper, or other similar material, pasted together along their adjoining edges on a backing of linen to form a hinge-like connection, and when a sufficient number of these strips have been thus pasted together in the flat, they are folded into the required form and the two meeting edges are buttoned together so as to constitute a self-sustaining structure. Then, as occasion requires, the horn is detached and folded up into compact form and put away in a box. Villy was not confronted with the problem of building a metal horn, nor of building such a metal horn as would counteract "metallic resonance or tintinnabulation". That problem never entered his mind, so far as appears from the face of his patent, and we may safely conclude that he never thought of it. He did not undertake to solve the problem which Nielsen did, and this court was clearly correct in its conclusion that the Villy patent has no effect on Nielsen's.

Much stress is laid on the Villy reissue by appellant's counsel. It appears that the United States Horn Company acquired title to the Villy original patent and several years after the issuance of Nielsen's patent secured a reissue. Two remarks may

be made in respect of this matter: (1) Nothing which occurred after the issuance of Nielsen's patent can bear any relevancy to the matter in hand, because that was subsequent art and not prior art; (2) A reissue patent can be granted only for the same invention disclosed in the original patent, and no new matter or new invention can be inserted in such reissue, from which it follows that there is nothing in the Villy reissue which was not in the Villy original patent.

Appellant's counsel also refers to what he calls the "Villy metal horn", and opposite page 74 he inserts cuts of such a horn; but there is no such thing as a "Villy metal horn". Villy never had a metal horn. His horn was made of paper or similar material. This so-called Villy metal horn was made under the patent to *Berner, No. 926,235, of June 29, 1909,* which is interleaved between pages 74 and 75 of appellant's brief. That patent covers a horn made up of sections of metal of similar shape as that of Nielsen's connected together at their longitudinal edges by a metal hinge and adapted to be collapsible. This is conclusive proof of our position regarding the Villy horn, because it shows that when it was desired to build from metal a collapsible horn of the same shape as Villy's, inventive genius was required to do it, and a patent therefor was issued to this man Berner in 1909, containing 49 claims.

Nielsen taught Berner how to make a self-sustained horn composed of metal strips or sections

bell-shaped in form, and Berner then invented a way of making such a horn collapsible. The Patent Office issued a patent to Berner for his device, which is *prima facie* evidence of invention. Therefore, the issuance of the Berner patent not only confirms our theory regarding the Villy patent, but also confirms our theory regarding the presence of the inventive faculty in Nielsen's patent.

12. *The Metal Workers' Pattern Book.* The book put in evidence is entitled the fifth edition, printed in 1887. The book set up in the answer is stated to be the third edition, printed in 1884 (Rec. 17). Consequently, the book offered in evidence cannot be used for anticipation because not set up in the answer.

Furthermore, no proof of publication was made. The book was simply offered in evidence without any other proof (Rec. 275). Hence it is incompetent for any purpose. It does not prove itself.

But taking the book at its face value it is of no avail. It shows two diagrams, figures 512 and 516. The first relates to "a cornucopia"; the second to a "curved tapering horn octagonal in section".

A cornucopia is stated in the dictionaries and reference books to be either the mythological "horn of plenty", symbolizing peace and prosperity, or a paper cone for holding candies (Standard Dict.). In the arts it was used as a flower vase or for ornamental purposes in architecture. It was certainly never used as a phonograph horn. In the

McVeety & Ford patents, already considered, it was used as a ship's ventilator. The pattern book does not say what it is used for.

The other figure of the pattern book relates to a curved or bent horn, octagonal in cross section, similar to McVeety & Ford's ventilator.

In reference to these illustrations, the book merely describes how patterns may be cut, from which the devices are to be made. Presumably these patterns are cut from paper or cardboard, though no statement is made on the point. The book does not disclose the material of which the completed article is made, nor how the sections are joined, nor the presence of flanges or ribs, nor the use to which the article is put. It discloses merely a question of geometry in cutting paper (?) patterns, from which the article might be constructed if a person knew how to do it.

This publication is wholly and utterly insufficient as an anticipation under the rule laid down by the Supreme Court in *Seymour v. Osborne,* 11 Wall. 555, as follows:

> "Patented inventions cannot be superseded by the mere introduction of a foreign publication of the kind, though of prior date, unless the description and drawings contain and exhibit a substantial representation of the patented improvement, in such full, clear, and exact terms as to enable any person skilled in the art or science to which it appertains, to make, construct, and practice the invention to the same practical extent as they would be enabled to do if the information was derived from

> a prior patent. Mere vague and general representations will not support such a defense, as the knowledge supposed to be derived from the publication must be sufficient to enable those skilled in the art or science to understand the nature and operation of the invention, and to carry it into practical use. Whatever may be the particular circumstances under which the publication takes place, the account published, to be of any effect to support such a defense, must be an account of a complete and operative invention capable of being put into practical operation."

In the light of the present advanced state of the art and after the Nielsen disclosure it may appear to some person of a speculative turn of mind that he could have produced the Nielsen device from the pattern book alone; but the correct way to look at this matter is for the expert to carry himself back mentally to the date of the pattern book and ask himself whether or not from that disclosure alone he could or would have conceived of the Nielsen invention, and after having so conceived of it, could or would he have constructed it from the information contained in the pattern book alone. To ask this question is to answer it in the negative.

The pattern book shows nothing materially different from McVeety & Ford's ship ventilator, which this court has already held, in the Sherman & Clay case, to have no anticipatory or limiting effect on Nielsen's patent. Hence the same ruling should be made with respect to the pattern book.

Appellant's counsel has also referred to the Senne patent, No. 811,897 of 1906, and opposite page 59

of his brief is a cut of the same. This is a subsequent, not a prior, patent. It was granted in 1906, whereas the Nielsen patent was granted in 1904. It was put in evidence for the purpose of showing how subsequent inventors copied after Nielsen. In that behalf it was a strong argument in favor of the Nielsen patent. Counsel says, at page 59 of the brief, that the Senne horn is probably the horn against which suit was brought as an infringement of the Nielsen patent. If counsel would only abandon his speculations and guesses and confine himself to the facts of the case, it would be easier to arrive at a correct solution of the issues involved. Whether or not this is the horn which was sued for an infringement is wholly immaterial.

13. *The French patent of Turpin, No. 318,742, of 1902,* is the last of counsel's references requiring consideration. It was before this court in the Pacific Phonograph Co.'s case and was argued by counsel for both parties at length. Nothing new regarding it is advanced by appellant herein.

In the specification of this patent it is stated that theretofore phonograph horns had been made of pasteboard, celluloid, glass or crystal, and metals, such as copper, tin, nickel aluminum and german silver, but that none of the first three named had been successful and that metal horns were the only ones employed in actual practice. The specification then goes on to say, however, that metal horns were defective, and in respect thereof uses the following language (italics ours):

"These horns give, whatever one may do, *metallic, nasal sounds* which take away all interest which the phonograph might have in itself, for it is impossible to recognize the recorded sounds, *because the sounds are unnatural.* It is thus that the violin cannot be suitably reproduced by a phonograph; that the high notes of a good light singer are *unnatural* and accompanied by a *metallic hissing* which disturbs the ensemble, that orchestral pieces are confused, etc.

"*All these disadvantages,* which absolutely harm the phonograph and which have prevented the phonograph, which is remarkable from more than one point of view, from acquiring the serious and scientific character which it ought to have, *are due to the metallic nature of the horns* which transform into a metallic sound a sound the most pure, first in the recording and then in the reproduction, hence finally into a sound of mockery for all tones and for all sounds.

"As a consequence of this state of things, the phonograph remains a simple and often disagreeable toy, instead of being an apparatus faithfully reproducing sounds such as it may have received, that is to say, a perfect instrument permitting easy recognition of the recorded sounds."

It will be observed from the above quotation that this is the precise defect in metallic horns which the Nielsen invention undertakes to cure. The Frenchman noted its existence, though he has exaggerated it, and undertook by his patent to remedy the defect. Now, let us see what he has proposed to do.

He says that after having tried many different plans he found "that wood suitably worked and

selected can remedy the defectiveness of the present phonographs and render these instruments perfect". And continuing further along the same lines he says:

> "Wood, indeed gives vibrations so natural that it accords with all instruments and above all with the human voice which it permits to be recorded and to be reproduced with a softness, a clearness and an extreme fidelity and the most delicate shades. One knows, indeed, that instruments of wood, whether string instruments or wind instruments, are those which approach the most to the human voice, such are the violin, the violoncello, the oboe, etc. Wood, is then of all materials that which conforms the best to the composition of a phonographic horn, as I have observed."

In other words, his remedy for the evil was to abolish the use of metal horns and adopt in place thereof wooden horns. His theory was the heroic surgical theory of amputating a diseased member instead of curing the disease.

He then proposes in his patent four different forms of wooden horns, viz.:

1. Horns turned in wood.

2. Horns made of a single piece of thin wood bent around a mandrel in the form of a cone.

3. Horns made from a plurality of strips of wood, all of the same kind, glued and nailed together in the form of a polygon.

4. Horns of polygonal form made of strips of wood of different kinds, and as a modification thereof the addition sometimes in the assemblage

of two strips of metal or glass on opposite sides of the horn.

In making the first type of horn, he takes a solid block of wood, places it in a lathe, and then turns it out in the form of a cone. There is nothing to interest us in that horn.

In making his second form shown by figures 2, 3, 4, 5, 6 and 7, he takes a single piece of thin wood, which has been immersed in boiling water or in a steam oven to make it pliable, and then wraps it around a mandrel of conical shape and glues the two meeting edges together. He then wraps other similar sheets around the first one in the same manner as before, and thus builds up a conical horn of a laminated structure. There is nothing in this form of horn to interest us.

His third form of horn is represented by figures 8, 9 and 10 of his patent. It consists of separate strips of wood, all of the same kind, glued together along their edges and attached to wooden posts by nailing and gluing so as to form a horn of polygonal shape.

Instead of wooden posts the patent states that the posts may be of angle iron, to which the wooden sheets are to be attached in some way or other not described.

A modification of this form of horn is shown in figures 14, 15 and 16, which he denominates "a truncated bell-shaped horn with metallic bracing". In this form of horn a metal ring extends

around the perimeter of the outer end, into which the strips of wood are inserted for the purpose of being held firmly in place. At the small end of the horn he provides what he calls "a concentric envelope", which in substance is a device somewhat similar to the ring at the outer end of the horn, the object being to insert in the end of the envelope the inner ends of the wooden strips, so that a horn is provided made of wooden strips glued together along their longitudinal edges and retained in place and shape by metal rings at each end of the horn. In other words, he has added to the polygonal wooden horn of his figure 8 the two end-retaining pieces described, for the purpose of holding the wooden strips securely in place. He then encircles this wooden polygonal horn with a metallic ring (marked in the patent by the letter O), in the manner of a hoop around a barrel. By shoving this ring down vertically over the horn he compresses the thin wooden staves, and inasmuch as the outer ends of these staves are securely held in position by the retaining clamping ring above described, the result will be to produce the bell-shape form, which is scantily illustrated in figure 14 of the Turpin patent.

The fourth form of horn referred to in Turpin's patent is the same as figure 8, except that the strips are of different kinds of wood. In figure 8 the strips of wood are all of the same kind, but in the horn now under consideration the strips are of different kinds. In describing this fourth horn,

the patentee says *one may* insert among the strips of wood "one or two strips of metal and also of glass". In that behalf the specification uses the following language:

> "In order to obtain a more complete concordance of the sounds by synchronism or isochronism, one may advantageously construct the horn of strips of wood of different kinds and also add thereto one or two strips of metal and also of glass, so that when one records an orchestral piece, all the instruments find their harmonics and that the horn can vibrate in unison. If, for example, the horn is a duodecagonal pyramid, that is with 12 strips, one may put in opposition two strips of rosewood; two strips of metal which may be composed of bands of different metals; two strips of glass; two strips of tulip; two strips of red mahogany; two strips of walnut. One thus obtains an ideal orchestral horn. For the voice and the song, the violin, the instruments of wood, it is necessary not only to employ wood, but to vary the kinds, which the polygonal form of my horn permits. One understands, indeed, that all the woods do not vibrate equally. Thus the walnut and the beech render very well the grave sounds; the tulip and the white woods, the medium, and the mahogany and the rosewood the high notes. These different woods keep up among them and reinforce the sounds in vibrating in unison with their harmonics like the strings of a piano or of a harp. Such are the results and methods which I intend to patent by these presents."

It will be seen from the foregoing that the horn referred to is polygonal in shape and composite in character, consisting of thin strips of different kinds of wood, to which *may be added*, if desired,

two strips of metal or glass. The inventor considered that different woods produced different vibrations corresponding to the harmonics of the different pieces of the orchestra. Some of the pieces of the orchestra would respond to one kind of wood, some to another, and still others to metal and glass. Therefore, he assembled together these various kinds of wood and metal and glass to the end that each instrument of the orchestra would find its response to the particular strip best adapted thereto. In other words, each instrument of the orchestra would select the particular strip or panel of the horn with which it was in tune and disregard all the other strips. The violin sound, for instance, would avoid the two metal strips, and expend all its energy on the wood, because the patentee says a violin sound cannot be reproduced by a metal horn. And so each particular instrument would avoid the "bad" strips and select only the "good" ones. Such an idea is purely fanciful.

The relevancy of the patent is supposed to reside in the fact that the inventor suggests that into this assemblage of wooden strips *one may* insert two strips of metal "in opposition", and two strips of glass. By this is meant that the two metal strips do not adjoin each other, but that the first one is placed on one side of the horn and the second one on the opposite side, thus presenting the case of a metal strip joined on each side to a wooden strip. The same disposition of glass strips is also made. No direction is given as to how these two

strips of metal are to be attached to the adjoining strips of wood. The wooden strips are glued together, but it is apparent that such joining between wood and metal strips would be ineffective. The patentee does not disclose how the edges of the metal strips are joined to the edges of the wooden strips. The same remark applies to the glass strips. It is clear that glass can not be glued to wood or anything else, and how the patentee proposes to connect these glass strips to the wooden strips is not disclosed in the patent.

And still further, the patent does not disclose any form of outwardly extending flanges forming ribs on the outside of this horn. On the contrary it shows the wooden strips joined together by glue.

Neither is this fourth form of horn bell-shaped. It is in the shape of a polygon made up of straight-sided separate strips glued together. In fact it would be impossible to make it bell-shaped unless the two glass strips were moulded into the appropriate curved form, concerning which the patent says nothing. The bell-shaped horn of figure 14 is a modification of the horn made of all wooden strips shown in figure 8.

The use of these two metal and glass strips is nothing more than a vague suggestion. They are not prescribed as a requisite to the horn, but it is merely said that "one may add" them to the wooden strips. We assert without fear of successful contradiction that there is no sufficient description in this Turpin patent of a bell-shaped horn com-

posed of an assemblage of wooden strips with two metal strips and two glass strips, and of course there is no description of a horn found there composed of all metal strips. The limited use of metal there referred to is nothing more than a suggestion, but suggestions are not anticipations. To constitute an anticipation the prior patent must show and describe the implement in such language as to enable a person skilled in the art to construct and use the same for a useful purpose. This Turpin patent falls far short of doing so.

We find a parallel case in *Asbestos Shingle Co. v. H. W. Johns Manville Co.*, 184 Fed. 620. There a patent for the use of a certain material was sought to be invalidated by the suggestion contained in a prior patent of the possible use of such material. In overruling this contention the court uses the following language:

> "The defendant's theory is that Sachs must have meant by cements, hydraulic cements; that by the manufacture of cardboards he must have meant the use of the usual machines; and that by the suggestion which he made of the uses of his substance he therefore disclosed completely all that Hatschek did. That is not enough; the art must be enriched by more than fruitful intimations, untested suggestions, or pregnant surmise before the subsequent comer who has elaborated and proved the invention may be deprived of his right. Happy intuition is no doubt necessary to an inventor, but it is not the whole of his endowment; to benefit his art he must show to other men by more than mere sketchy suggestion how they may practice what he has discovered.

> Perhaps Sach's patent might have served as a good starting point for real addition to the art, but as it stood it was no more than that."

The court then refers to the case of *American Graphophone Co. v. Leeds & Catlin Co.,* 170 Fed. 331, where the following language was used:

> "The naked assertion that a certain result has been accomplished without stating how, without describing the means which produce the result, is insufficient as an anticipation."

Similar cases referred to by the court are:

Loew Filter Co. v. German-American Filter Co., 164 Fed. 855, and

Naylor v. Alsop Process Co., 168 Fed. 911,

both of which cases are aptly in point.

These cases effectively dispose of Turpin's patent as an anticipation. It may also be remarked that this Turpin patent is a mere paper patent which never went into use. It made absolutely no impression on the art, and is nothing more than one of the numerous vagaries which we find scattered throughout the art.

And still further, the Nielsen idea is not disclosed even in the vaguest form by suggestion or otherwise in the Turpin patent. The Nielsen idea is to retain metal as the material for the horn, but to so modify it in form and construction as to produce vibrations of such small amplitude as to render the metallic sound inaudible. Nielsen was the first person to make it known to the world, and that is the essential principle of his invention.

There is not the slightest hint of this idea in the Turpin disclosure. The only thing which appellant relies on in this connection is the vague indefinite statement that *one may add* two strips of metal "in opposition" in the assemblage of wooden strips which Turpin proposes to use, and from this statement it is claimed that the world was informed of the horn made entirely of metal strips, such as described by Nielsen, and resulting in a utilization of the scientific principle forming the basis of the Nielsen invention. The contention is preposterous. If a valuable patent can be destroyed by such vague and shadowy suggestions, then the patent laws might as well be abolished.

We also call the court's attention to the fact that this Turpin patent has already been before the court. In the case against Pacific Phonograph Co., it was used by the defendant therein in opposing the motion for preliminary injunction, and it was there vigorously urged that the Turpin patent is an anticipation. Judge Van Fleet gave the matter his most careful consideration and concluded that this Turpin patent was insufficient as an anticipation. He was thoroughly familiar with the situation. The matter was not slurred over, but was carefully and exhaustively considered. The learned patent lawyer from New York argued the matter *in extenso*. After full consideration, Judge Van Fleet held that the Turpin patent had no effect whatever upon the Nielsen patent, and granted a preliminary injunction. An appeal was taken to this court where the order was affirmed.

DEFENSE OF DOUBLE USE.

This defense is discussed between pages 84 and 105 of appellant's brief. It is based on the Gersdorff patents heretofore considered. Those patents show a funnel for pouring liquid into receptacles, which is constructed of three separate pieces joined together by an appropriate seam. The argument is that this funnel is of the same material, shape, and mechanical construction as a Nielsen horn, but on a smaller scale, and although it was designed only for pouring liquid in a vessel, nevertheless it could have been used as a phonograph horn; and to complete the argument, it is contended that a phonograph horn is nothing more than a funnel, and that any funnel which fits a phonograph will perform the function of a phonograph horn. Therefore, inasmuch as a phonograph horn is a funnel and a funnel is a phonograph horn, the two things are the same, and Gersdorff's vinegar funnel is Nielsen's phonograph horn.

This strongly reminds us of Byron's lampoon on Wordsworth, in which the poet is characterized as one,

> "Who both by demonstration and example shows
> That prose is only verse and verse is only prose."

The doctrine of *double use* is an interesting one and we have heretofore on many occasions argued it *in extenso*. Time forbids a repetition of the argument in this case, and we shall therefore content ourselves merely with stating general results.

In general a double use exists where an old contrivance from an analogous art has been adopted and applied to a new use in the art in question without any change in the manner of application and without producing a new result distinct in kind.

Such is the ruling in the cases of

Tucker v. Spaulding, 13 Wall. 453;
Brown v. Piper, 91 U. S. 37;
Pennsylvania v. Locomotive Co., 110 U. S. 490;
Roberts v. Ryer, 91 U. S. 157;
St. Germain v. Brunswick, 135 U. S. 230,

and many others of similar import.

On the other hand, if the prior use of the old contrivance was in a distant and non-analogous art, or if its use in the new art was accompanied with a change in the manner of application, or if its use in the new art produces a new and useful result different in kind, then this new use is not a double use and the contrivance is patentable in its new situation.

There are many cases sustaining this position. The most notable is that of *Potts v. Creager,* 155 U. S. 597. The lower court had declared the patent void as for a double use (44 Fed. 680); but the Supreme Court reversed the ruling and held the contrivance patentable. The patentee had merely substituted longitudinal ribs of glass for longitudinal ribs of metal. With this exception the machine of the patent was of the same construction

as the machine of the prior art. But the patentee used the contrivance for a distinct and different purpose, and the court said:

> "But where the alleged novelty consists in transferring a device from one branch of industry to another, the answer depends upon a variety of considerations. In such cases we are bound to inquire into the remoteness of the relationship of the two industries; what alterations were necessary to adapt the device to its new use, and what the value of such adaptation has been to the new industry. If the new use be analagous to the former one, the court will undoubtedly be disposed to construe the patent more strictly and to require clearer proof of the exercise of the inventive faculty in adapting it to the new use—particularly if the device be one of minor importance in its new field of usefulness. On the other hand, if the transfer be to a branch of industry but remotely allied to the other, and the effect of such transfer has been to supersede other methods of doing the same work, the court will look with less critical eye upon the means employed in making the transfer. Doubtless a patentee is entitled to every use of which his invention is susceptible, whether such use be known or unknown to him. But the person who has taken his device and, by improvements thereon, has adapted it to a different industry, may also draw to himself the quality of an inventor. If, for instance, a person were to take a coffee mill and patent it as a mill for grinding spices, the double use would be too manifest for serious argument. (Here the court cites many other instances of double use.)
>
> "Upon the other hand we have recently upheld a patent to one who took a torsional spring, such as had been previously used in clocks, doors and other articles of domestic

furniture, and applied it to telegraph instruments, the application being shown to be wholly new. Western Electric Co. v. La Rue, 130 U. S. 610. So also in Crane v. Price, Web. Pat. Cas., 409, the use of anthracite coal in smelting iron ore was held to be a good invention, inasmuch as it produced a better article of iron at a less expense, although bituminous coal had been previously used for the same purpose. See also *Steiner v. Heald*, 6 Exch., 607.

"Indeed, it often requires as acute a perception of the relation between cause and effect, and as much of the peculiar intuitive genius which is a charactertistic of great inventors, to grasp the idea that a device used in one art may be made available in another, as would be necessary to create the device *de novo*. And this is not the less true if, after the thing has been done, it appears to the ordinary mind so simple as to excite wonder that it was not thought of before. The apparent simplicity of a new device often leads an experienced person to think that it would have occurred to any one familiar with the subject; but the decisive answer is that with dozens and perhaps hundreds of others laboring in the same field, it had never occurred to any one before. The practiced eye of an ordinary mechanic may be safely trusted to see what ought to be apparent to every one. As was said by Mr. Justice Bradley, in Loom v. Higgins, 105 U. S. 580, 591; 'Now that it has succeeded, it may seem very plain to any one that he could have done it as well. This is often the case with inventions of the greatest merit. It may be laid down as a general rule, though perhaps not an invariable one, that if a new combination and arrangement of known elements produce a new and beneficial result never attained before, it is evidence of invention'.

> "As a result of the authorities upon this subject, it may be said that if the new use be so analogous to the former one that the applicability of the device to its new use would occur to a person of ordinary mechanical skill, it is only a case of double use, but if the relations between them be remote, and especially if the use of the old device produce a new result, it may at least involve an exercise of the inventive faculty."

The same views were expressed in *National Cash Register Co. v. Boston Cash Indicator & Recorder Co.*, 155 U. S. 502.

Apply the test of this rule to the case in hand and it will be perfectly apparent that Nielsen's horn is not a case of double use of Gersdorff's funnel. The art of pouring liquids into a vessel through the medium of a funnel was surely a remote and non-analogous art. It bears no relevancy whatever to the art of reproducing musical sounds through a phonograph horn. No one seeing Gersdorff pouring vinegar into a jug by means of his funnel would ever conclude that such a funnel could be used for delivering musical notes from a phonograph, nor for delivering them in such way as to obviate "metallic resonance or tintinnabulation". To our mind the argument verges dangerously on the ridiculous.

Furthermore, in producing his horn Nielsen has changed from the form of construction shown in Gersdorff's funnel. He has produced a different shape, to wit, the bell-shape, or, as it has been styled by this court, a flower. This shape is not a cone.

It provides a substantially convex surface on the interior and a substantially concave surface on the exterior, whereas Gersdorff's funnel is conical in shape with a concave surface on the interior and a convex surface on the exterior. It is not necessary to dwell upon the effect of these mechanical changes. All that is necessary is to note that there are mechanical changes in the construction, because under the doctrine of double use the old device must be used in its new environment without any change in its mechanical construction. It is too palpable to admit of argument that there are differences in mechanical construction between the Gersdorff funnel and the Nielsen horn.

And finally, the Nielsen horn produced a new and useful result never attained before, to wit, the elimination of "metallic resonance or tintinnabulation" in a phonograph horn made of metal.

We submit that appellant's contention as to double use is wholly untenable, and we dismiss the subject with the oft repeated quotation from the case of *Loom v. Higgins,* where it was said of a similar contention,

> "This argument would be sound if the combination claimed by Webster was an obvious one for attaining the advantages proposed—one which would occur to any mechanic skilled in the art. But it is plain from the evidence, and from the very fact that it was not sooner adopted and used, that it did not, for years, occur in this light to even the most skillful persons. It may have been under their very eyes, they may almost be said to have stumbled over

it; but they certainly failed to see it, to estimate its value and to bring it into notice. * * * Now that it has succeeded, it may seem very plain to anyone that he could have done it as well. This is often the case with inventions of the greatest merit. It may be laid down as a general rule, though perhaps not an invariable one, that if a new combination and arrangement of known elements produce a new and beneficial result, never attained before, it is evidence of invention."

THE DEFENSE OF LACHES AND ESTOPPEL.

This defense is argued between pages 104 and 143 of Appellant's Brief.

The answer, under paragraphs XVI and XVII, beginning with page 21 of the record, in substance asserts that appellant purchased all its horns from the Hawthorne Companies (composed of Hawthorne and Sheble); that prior to 1906, and continuously since then, those concerns, together with Tea Tray Co., and Standard Metal Co. of New Jersey, openly and notoriously made and sold such horns, and that the appellant, together with the Victor and Edison Companies, openly and notoriously used and sold the same; that during all of said times, plaintiff and its predecessor had full knowledge thereof, and made no protest except that on February 10, 1906, plaintiff's predecessor notified Hawthorne & Sheble of said infringement, but that Hawthorne & Sheble replied that the patent was invalid and that they would continue their infringement, and also

that in May, 1906, the Victor Company was likewise notified, but refused to desist; that in view of the said facts the appellant

> "has long since been led to believe, and was justified in believing, that said Hawthorne & Sheble and said Tea Tray Co. had the perfect right to manufacture the horns aforesaid and to sell the same, and that this defendant had the perfect right to acquire and use and sell the same without interference by any patent-owner, and that, relying upon the consistent conduct aforesaid of said U. S. Horn Co. and this plaintiff, during all the period aforesaid, and their said acquiescence in the putting out of said horn, this defendant was induced to expend, and did expend, large sums of money in acquiring for the benefit of its customers the horns understood to be now complained of and in delivering the same to them; and that said horns were so sold because of their attractive dress and appearance and not because of superior acoustic qualities. Wherefore, this defendant says, that it is contrary to equity and good conscience for complainant to maintain against this suit in equity or to obtain an injunction or an accounting or any other relief whatever."

Not a word of proof to sustain the above allegations was offered by appellant in the court below. Such a defense, of course, is an affirmative one and must be sustained by proof. Yet no word of proof was offered, and appellant's counsel now relies upon these allegations of his answer as if they had been sustained by proof. He even copies into his brief the two paragraphs of his answer setting up these defenses, and then proceeds to argue the same as if they had been proven.

We understand the defense of laches and estoppel to be based on the theory that the plaintiff has done something or has failed to do something which has induced and led the defendant to believe that he had a right to commit the acts which are charged to be an infringement, and that, thinking he had such right, he was induced to expend large sums of money in carrying on those acts, and that the patent-owner, after inducing him to follow such course, waited for an unconscionable length of time and then, at the eleventh hour, brought suit. This defense is nothing more than the well-known doctrine of estoppel *in pais,* applicable not alone to patent matters but to all matters. This theory is recognized as correct by the appellant's answer which, as heretofore quoted, sets up the contention that the appellant, by reason of the acts of the plaintiff, was led to believe that it had a right to sell these horns with impunity, and that, in reliance upon this belief, was induced to expend, and did expend, large sums of money in the business. *There is not a scintilla of evidence to sustain these allegations.* No officer, agent, or employee of the appellant, nor any other person was called as a witness to testify thereto. The record is a blank on the subject, and nowhere is any reference found to it except in the allegations of the answer.

At page 109 of the brief, it is alleged that during a period of nine years plaintiff was silent, permitting defendant to expand its business and incur

great expenditure all without interference or any adequate assertion of the plaintiff's alleged right.

And at page 124 it is alleged that this defendant has been lulled into security and into making investments by reason of the conduct of the plaintiff in its delay in bringing any test suit to trial; also that the defendant believed until this suit was brought that plaintiff's rights were worthless and had been abandoned.

It is difficult to deal patiently with such outrageous statements. There is not a word of evidence in the record to sustain them, nor was there any attempt to sustain them by evidence. They are simply the bald, unsupported statements of counsel.

It does not even appear from the record when the appellant began its infringement or how long it was continued. The only evidence in the record as to the time of infringement is the stipulation under which the case was tried, appearing at pages 29 and 30 of the record, in which we find the following:

> "That within six years prior to the commencement of this suit in the Northern District of California and elsewhere in the United States, defendant sold horns for phonographs or graphophones similar in all respects to the two horns referred to in the affidavit of W. H. Locke Jr. on motion for preliminary injunction and stated in said affidavit to have been purchased by him on October 4, 1913, from Columbia Graphophone Company at New York; and that within six years prior to the commencement of this suit, defendant issued and circulated catalogues entitled 'Columbia Graphophones—M—250,' of which a copy is hereunto

annexed, and showing at pages 11, 13, 15, 21, 35, 37, 39 and 41, cuts and illustrations of horns sold by defendant."

According to this stipulation, which is the only evidence on the point, the defendant's infringement occurred at some time *within six years before the suit was begun,* but at what particular time within those six years it began does not appear. So far as the record shows, the infringement may have begun only a few days before the suit was filed.

In this state of the record, how is it possible for this court to find as a fact that the infringement had been continuing nine years before the suit was filed, or that the defendant was induced to enter into the infringement by the commission or omission of any act on the part of the plaintiff, or that the defendant was thereby induced to expand its business, or expend large sums of money, or was lulled into security in making investments, or that it believed that the plaintiff had abandoned its claims and never intended to bring suit, or that the appellant believed that it had a right to sell the horn?

All cases in a court of justice must be determined on the evidence and not upon the assertions of counsel unsupported by any evidence whatever. This matter of laches is not before this court for adjudication because of an entire absence of evidence to sustain it on the part of the appellant.

Before closing, we cannot refrain from noticing a most inexcusable and outrageous matter, beginning

at page 116 of appellant's brief, where it is there suggested that this is either a charity suit or a speculative suit or that Mr. Locke failed to tell the truth when he pleaded financial stringency of himself and the plaintiff.

If by the term "charity suit" the counsel intends to charge that we, as counsel for plaintiff, have undertaken the litigation without demanding prepayment of a cash fee, that is a matter which has not the remotest connection with the issues in the case, and cannot possibly be of any interest to the court. It has frequently happened in our practice of twenty-five years that we have prosecuted infringement suits for poverty-stricken inventors without demanding from them prepayment of a cash fee. Is it possible that this course can be imputed to an attorney as a matter of reproach and condemnation? On the contrary, is he not thereby living up to the traditions of the profession, which require that he shall aid the weak and the helpless? Never yet have we turned away from our office a poverty-stricken inventor having a meritorious case, on the ground that he was not able to pay for our services, and we do not expect ever to do so in the future.

What counsel means by calling this a "speculative suit" he does not inform us, but he evidently intended that term to be used in some kind of a derogatory sense. Whether it be speculative or otherwise is not the issue before the court, and we venture to remark that if this court shall find the patent to be valid and that it has been infringed, it will

not concern itself regarding any speculative feature it may have, whatever may be the meaning of that term as used by appellant's counsel. It is frequently the case with infringers to heap abuse upon the patent-owner and his counsel and to attribute to them reprehensible motives, such as a desire "to fill their coffers with tribute money to which they are not entitled either in law or equity" (Appellant's Brief, 109). Such statements are unworthy of an attorney having an appreciation of the dignity of his profession.

There are other improper matters contained in Appellant's Brief, and especially on pages 121, 122 and 123. They are so irrelevant to the issues involved and are of such palpable impropriety, and so contrary to the proprieties, that we shall not dignify them with an answer.

CONCLUSION.

Interest rei publicae ut finis sit litium says the maxim. This litigation has been going on uninterruptedly for over five years, and the defense has been of the fiercest and most determined character on the part of the infringers. Some idea of the nature of the attack on the patent will be gathered from noting that the answer in this case comprises sixteen printed pages, in which seventy-nine prior patents and publications are set up as anticipations (American, British, French and Belgian), while eighty-one instances of alleged prior use are speci-

fied as having occurred in the states of New York, Pennsylvania, Connecticut, Missouri, California, New Jersey, Maine, Iowa, Colorado, Massachusets and the District of Columbia. The entire United States, from the Atlantic to the Pacific and from Canada to the Mexican border, has been raked over as with a fine-toothed comb in search of evidence. Eight different suits have been instituted and prosecuted. Ten different hearings have been had in the District Court and five in this court. Fifteen different lawyers have appeared against us—three from New York, four from Philadelphia, one from Orange, one from Chicago and six from San Francisco. Seventy-nine witnesses have been examined. Depositions have been taken at New York, Philadelphia, Newark, Hartford, Pittsburg and San Francisco, resulting in several thousand pages of testimony. These facts appear from records in this court. Every point that could be suggested by the ingenuity of counsel has been raised, and every point so raised has been adjudged in favor of the plaintiff. Yet the case is really a plain and simple one, free from those nice distinctions and difficult questions so often met with in patent practice. In spite of these facts, the infringers are continuing their vicious and vindictive opposition, which appears to us now in no other light than that of a deliberate obstruction of justice. Their scheme seems to be to wear us out by endless opposition. Two of them, Pacific Phonograph Company and Sherman Clay & Company, took appeals to this court, and by giving small

and insignificant bonds secured a stay of the accounting; but when their appeals were reached in this court they voluntarily dismissed the same, without even printing the record, thereby showing, in our opinion, that they never were prosecuted in good faith, but only for the purpose of delay. After the accountings are taken, they will probably appeal from the final decrees against them. Defendant in the case at bar has likewise given an insignificant and insufficient bond to stay the accounting, said bond being in the sum of $5,000.00. The insufficiency of this bond will be apparent when it is noted that the Columbia Graphophone Company is one of the three great phonograph companies of the world, and in all probability has sold over a million horns. They continued to sell these horns up to the very day on which the preliminary injunction was granted against them. The opposition of the infringers now appears to us to be of a purely factious kind with a view solely to postponing the date of the accounting. But we have an abiding faith in the efficacy of the law, and although the law may be slow, it is nevertheless sure.

Dated, San Francisco,
May 27, 1916.

Respectfully submitted,

JOHN H. MILLER,
Counsel for Appellee.

No. 2759

IN THE

United States Circuit Court of Appeals

FOR THE NINTH CIRCUIT

COLUMBIA GRAPHOPHONE COMPANY,
Defendant-Appellant,

vs.

SEARCHLIGHT HORN COMPANY,
Plaintiff-Appellee.

Appeal in Equity. (Patent Suit.)

ON THE NIELSEN PHONOGRAPH HORN PATENT No. 771,441

APPELLANT'S REPLY TO APPELLEE'S BRIEF AND ARGUMENT ON FINAL HEARING

By Permission of the Court—Granted June 2nd, 1916

C. A. L. MASSIE,
CHAS. E. TOWNSEND,
ARNE HOISHOLT,
Of Counsel for Defendant-Appellant.

Filed
JUN 16 1916

IN THE

United States Circuit Court of Appeals

FOR THE NINTH CIRCUIT

COLUMBIA GRAPHOPHONE COMPANY, *Defendant-Appellant,* vs. SEARCHLIGHT HORN COMPANY, *Plaintiff-Appellee.*	Appeal in Equity. (Patent Suit.)

REPLY OF APPELLANT TO BRIEF AND ARGUMENT OF APPELLEE

The Record on Appeal: Appellee at the bottom of page 6 and top of page 7 of his brief hints vaguely at the present record as being "abbreviated, maimed and impotent," etc. While the appellee has apparently little faith in his own assertions, we have only to say that pursuant to Section *a* of Rule 75 Appellant filed its praecipe indicating the portions of the Record to be incorporated into the transcript, and that the Appellee's Solicitor duly filed *his* praecipe specifying such additional portions of the Record as *he* desired incorporated into the transcript. If anything material to his side of the case has been omitted, it is his own fault.

Prior Patents: Appellee complains elsewhere in his brief of the great number of patents set up by way of defense, or that have been before the lower Court at one time or another, or are now before this Court. All we have to say is that in an earnest and conscientious effort to simplify the record as much as possible, and lessen your Honors' work, we sought by stipulation (R. 965-966) to bring before this Court only those patents which appeared to be material, or might be referred to in our brief or on the argument. To the 17 patents which *we* desired to present, Counsel for Appellee added *22 more,* many of which he would now parade as being relied upon by this Appellant. So far as the Appellant is concerned, the only patents which this Court needs consider are those specifically referred to in our Opening Brief.

Emendation of citation: Concerning United States vs. Post, 128 Fed. 950, 953, our Opening Brief, page 41, we wish to call the Court's attention to the fact that this case on appeal, 135 Fed. 1, was reversed on the ground that in the opinion of the Circuit Judges the trial Judge went too far in his charge to the jury, the upper Court holding that the burden of proof in a *criminal* case is never upon the accused to prove innocence; and that—

> "While the judge of a federal court may express his opinion in a charge as to the weight or effect of evidence or the credibility of witnesses, he is not warranted in directing a jury that they should ignore evidence offered by a defendant as to the possession by her of certain

powers of mental healing because it was contrary to well-established laws of nature. If the evidence is admissible, its credibility and weight are matter for the jury to determine."

PRIOR ADJUDICATION.

THE SHERMAN & CLAY LAW CASE: In that case the motion of the defendant to direct the jury to find a verdict in its favor on the ground that the patent was void for want of patentable invention, was in effect a motion for the Court to find that the patent was invalid *beyond a reasonable doubt:* i. e. that no reasonable jury could find otherwise,—and was therefore equivalent to a demurrer. The refusal so to rule was a decision *at best* merely that the Nielsen patent was not beyond a reasonable doubt invalid; and the affirmance on appeal was a finding that its invalidity was not beyond a reasonable doubt and that the question of *validity* lay with the JURY.

THE PACIFIC CASE: That case came to this Court along with the Sherman & Clay law case, and was merely an appeal from an Order granting the Preliminary Injunction. As shown by the Memorandum Opinion, 214 Fed. 257, the Order granting the Preliminary Injunction was affirmed "for the reasons set forth in the opinion filed in Sherman & Clay vs. Searchlight Horn Co., 214 Fed. 86, 130 C. C. A. .... (Case No. 2306) and Id., 214 Fed. 99, 130 C. C. A. .... No. 2307."

In 214 Fed. 99, which was the Sherman & Clay appeal from the Preliminary Injunction based on the law case record, your Honors said:

> "The granting of a Preliminary Injunction in a suit for the infringement of a patent rests within the sound discretion of the trial Court (citing cases). Under this rule the only question for the Court to determine would be: Had the Court abused its discretion? But another rule applicable to the present case is that, the validity of the patent having been sustained by a prior adjudication in an action at law and the infringement being clear the Court has no discretion to refuse a temporary Injunction pending a final hearing upon the issues involved in the case."

THE PRESENT RECORD—NEW DEFENSES —NEW PARTIES

Such "new matter" (not appearing in the Sherman & Clay law case) as was brought before the Court of Appeals in the Pacific case above was presented merely by ex parte affidavits. There has really been but one record before this Court, that of the Sherman & Clay law case. The new defenses in the case at bar, based upon new evidence, are:

1. The Villy *Reissue* Patent.
2. The Villy *Metal* Horn with the admissions of the Plaintiff that this Villy Metal Horn is made under both the Villy and the Nielsen Patents. (But when you have subtracted Villy from the Villy Metal Horn how much of Nielsen is there left?)

3. The admissions of the Plaintiff that this Villy Metal Horn *"we consider the most perfect product of its kind ever turned out both structurally and accoustically."* (See Wm. H. Locke's letter of Dec. 12, 1906, reproduced at the back of our Opening Brief.)

4. The Turpin French Patent Figs. 8 to 13 (our Opening Brief, page 65 and following).

5. The denial and refutation of the theory that the Nielsen Horn had any advantages in preventing "tintinnabulations" or "doing away with the vibratory character of the Horns—and doing away with the metallic sound produced in the operation thereof."

6. The defense of DOUBLE USE.

7. The defense of LACHES. (This defense of laches has its strongest support out of the mouths of plaintiff's own witnesses, and in testimony never previously before this Court in any manner whatsoever.)

THE GIST OF THE CASE.

Each one of the following six points is conclusively determinative of this case in favor of defendant-appellant.

I. Even conceding to "the patented Nielsen Horn" every conceivable merit and all the improved acoustic results asserted by Nielsen (and by plaintiff's able counsel), nevertheless, by reason of applying for and obtaining the Villy Reissue while owning the Nielsen Patent, plaintiff has formally and deliberately and irrevocably delivered over *to*

Villy all the credit for inventing the subject-matter defined by the Nielsen Claims in suit. This concession of inventorship in favor of Villy and against Nielsen, exhausts the patentable subject-matter, and estops plaintiff from now asserting Nielsen as the inventor of said subject-matter.

II. Again, even conceding as before, every merit to the patented Nielsen horn, nevertheless, it is no more than a DOUBLE USE of the old Gersdorff funnel, and therefore not patentable.

III. If the patented Nielsen horn does *not* in fact possess the alleged tonal properties, and if it does *not* produce the improved acoustic results asserted for it,—then the Nielsen Patent is for a mere mechanical (that is, structural) expedient, and is void under—

> Howard vs. Stove Works, 150 U. S. 160-174;
>
> Mfg. Co. vs. Holzer, 67 Fed. 907, 908 (First C. C. A.);
>
> Kings Co. vs. Raisin Co., 182 Fed. 59, 63 (Ninth C. C. A.),—

and the Patent is also void because based on false and misleading statements.

As said in *Marchand* vs. *Emken,* 132 U. S. 252; 33 Law Ed. 332:

> "Divest the case of the air of mystery with which it is environed and it seems simple enough."

The Nielsen horn does not have the acoustic superiority claimed for it. We ask the members of this Honorable Court to be convinced of the absolute truth of this assertion by the testimony of their own ears. If when you cannot *hear* any difference between the various *horns* in evidence (i. e. horns of the same material and general size) then of what avail can it be that plaintiff-appellee's *argument* has a plausible sound? "The plaintiff's claim to be enrolled upon the list of inventors is based upon propositions too theoretical or visionary for acceptance," said Justice Blatchford in the Marchand case above. Plaintiff's theory is a plausible vision but it is merely a vision because it is not *true*. The horns in evidence speak for themselves on this proposition.

Popularity and commercial success is not evidence of patentability, and is very little evidence of utility; and is never competent even for that purpose, except in a doubtful case.

McClain vs. Ortmayer, 141 U. S. 419, 427-9; and cases cited on page 20 of our main brief.

IV. On the other hand, IF the patented Nielsen horn *does,* in fact, possess the alleged novel properties, and IF it *does* produce the improved acoustic results asserted for it, then such superiority would be self-demonstrated upon merely playing a Nielsen horn in comparison with the horns of the prior art; and the fact of its superiority would not have to be proved by the *testimony* of alleged "experts,"

nor would delicate laboratory tests with scientific instruments of precision be required in order to ascertain the supposed differences in behavior.

See *Lovell* vs. *Garland,* 221 Fed. 634, where the Court of Appeals for the Second Circuit, speaking of alleged functional differences analogous to those here asserted by plaintiff, said (emphasis ours):

> "Science [*i. e.,* plaintiff's witnesses and counsel] says these vibrations, from 300 to 500 per second, are not the same in the Pierman [the prior art] and Hutchinson horns [of the patent in suit], and this discovery demonstrates the superiority of the horn of the latter over that of the former. Commonsense replies, True, but we are *not dealing with scientific refinements* but with *practical results,* and Pierman [the prior art] shows how to produce these results, by a mechanism which, in principle and mode of operation, is the exact counterpart of that of Hutchinson [the patent in suit]. Their diaphragms may differ in size and material, the wheels may have more or less teeth, but the object is *the same* the result is *the same,* and it is accomplished by *substantially the same* mechanism."
>
> Lovell-McConnell vs. Garland, 221 Fed. 634, 636 (Second C. C. A.).

In other words, in order to justify a patent for a structure consisting (as does Nielsen's) of OLD parts and features, upon the supposed ground that *new and improved results* are thereby produced, the existence of the alleged "new and improved results" must be beyond dispute,—must be clearly manifest beyond any reasonable doubt. And where,

as here, not only is there a great deal of "reasonable doubt," but the existence of the alleged "improved results" is flatly denied by a number of credible witnesses,—then there is no basis of reality and actuality sufficient to support the patent.

V. Now, as a matter of fact, and also as a matter of testimony, the Nielsen horn does *not* possess the tonal properties asserted.

(1) The members of this Court can determine the fact for themselves by actually playing the phonographs with first the Nielsen horns and then the *other* horns in evidence. A few measures on any record will show better than anything else the fallacy of the "rubber ball," "squeaky tintinnabulation," "interfering vibrations" theories of the plaintiff.

To make a Test: An interesting experiment to test the comparative sound vibrations is to place the nail of the little finger against different portions of the different horns when playing, with the back of the hand towards the horn. Try it on the body and seams particularly of Nielsen and Gersdorff and Turpin.

We hold ourselves at your Honors' service in assisting in any demonstration desired.

(2) As a matter of testimony, in later pages we cite and marshal the pertinent testimony.

VI. Finally, even conceding to the patented Nielsen horn every merit asserted for it, and even

assuming that the Nielsen patent is valid—all of which we deny—nevertheless, plaintiff's laches bars it from any relief; and, even should the Court think plaintiff entitled to injunction, yet certainly plaintiff is barred from an accounting. See pages 104 *et seq* of our main brief.

We would now elaborate certain of these defenses.

I.

THE VILLY REISSUE EXHAUSTED THE PATENTABLE SUBJECT-MATTER.

The Villy Reissue was not before the Courts in the Sherman-Clay suit. It is *new matter* before this Court.

The Nielsen Patent had been assigned to plaintiff's predecessor, the United States Horn Company, on Feb. 24, 1905 (R., 979). Thereafter, on October 3rd of the same year, said predecessor procured an *earlier* "flower horn patent"—the Villy Patent No. 739,932; and some weeks afterwards, on October 26, 1905, proceeded to apply for a RE-ISSUE thereof (R., 980).

Said United States Horn Company was plaintiff's predecessor and also was identical in interest with plaintiff (Locke, XQ. 55 on page 170; R. D. Q. 119 on page 187; also Q. 29 on page 149, and Krabbe Q. 61-2 on page 99). And whatever constitutes estoppel

against the U. S. Horn Co., constitutes estoppel against plaintiff.

The original Villy patent discloses a *"flower* horn," and was the very first of those which plaintiff itself enumerates as "the earliest Flower Horn Patents," (page 185); but the Claims of said Villy original patent were limited to a *folding* or "collapsible" horn; and the Villy Reissue broadened the Claims to cover the *non*-folding "Nielsen Horn" so-called.

The Villy Reissue patent, in lines 45-6 (Tr., p. 1038), repeating the statement of the Villy original, names as the material—

"paper, wood, linen, or OTHER preferably *flexible* material"; and the best-known and most usual phonograph-horn material (then and now) is SHEET METAL, which is pre-eminently *flexible,* and is therefore THE material suggested by the expression "*other* flexible material."

Next, in lines 46-9 (Tr., p. 1039), repeating the statement of the Villy original, the Villy Reissue, says:

> "My horn, owing to the curvature of the edges of the strips, is self-sustaining and requires no additional stiffening or sustaining devices, * * *."

That is,—the *curving juncture* of the connected edges constitutes in itself a stiffening and sustaining device, and is therefore the mechanical *equiva-*

lent for Nielsen's "outwardly-directed flanges" or "ribs."

Then, at the top of the second column of the same page (page 1039), the Villy Reissue (repeating the statement of the original) says:

> "and I vary the method of jointing and stiffening them [the longitudinal gore-sections or strips] to suit the material from which the strips are constructed * * *."

Plaintiff itself, the Searchlight Horn Company, has put out the so-called "Searchlight Folding Horns" in evidence,—one red and the others blue, and *all* made of SHEET METAL. All these metal folding Searchlight horns were labeled by plaintiff itself as made under the VILLY Reissue,—"Patented Jan. 30, 1906." See also the Villy Reissue's number and date, as given on plaintiff's letter-head reproduced at the back of our main brief; see also plaintiff's circular letter on page 49, Vol. I, of the Transcript, which quotes Claim 8 of the Villy Reissue, after giving its number and date.

Plaintiff's "Searchlight Folding Horns" in evidence (see photograph thereof facing page 74 of our main brief), if made by a stranger, would indisputably infringe Villy's Reissue Claim 8, which is plainly readable thereon and is here repeated for convenience:

> "A phonograph horn comprising a number of flexed strips having curved meeting edges and means joining said edges, said strips being so flexed and said edges so curved and joined that

> the horn is given a trumpet-like or bell-like form, the strips forming angles where said edges meet."

The fact that the longitudinal strips of said Searchlight Folding Horns are made of sheet-metal, does not avoid this Claim 8, since sheet-metal is the chief "OTHER *flexible* material" contemplated by Villy. Nor is this Villy Claim 8 avoided by reason of the presence, in the Searchlight Folding Horns, of "piano-lid hinges"

> (which constitute "the outwardly-directed flanges, whereby said strips are connected and whereby the body-portion of the horn is provided on the outside thereof with longitudinally-arranged ribs" of Nielsen)—

because *that* was a well-known "method" of joining the edges of strips of sheet-metal, and Villy has told us expressly that he

> varies the method of joining and stiffening to suit the material used."

And, that such hinge-joint is a good and efficient juncture in a phonograph-horn, we are expressly told by plaintiff itself, in its letters to the National Phonograph Company (on pages 181-185), where plaintiff's *folding* horns are stated to be "equal to a lapped-seam horn" in "amplifying and tone qualities."

To apply the foregoing: If we subtract from plaintiff's "Searchlight Folding Horns" (in evidence) the subject-matter defined by Villy's said Claim 8—which subject-matter the simultaneous

owner of the *Nielsen* and Villy patents has irrevocably attributed to VILLY, as the true inventor—then NOTHING is left as the invention of Nielsen.

At the argument Appellee's Counsel produced a small box containing a miniature fan-like device and argued to the Court that this toy, or whatever it might be, was a Villy Horn. Such an extraneous unproven device should not be resorted to in the light of the three admittedly genuine Villy Metal Horns in evidence, manufactured by the Plaintiff under its Villy patent, and marked by it with the *Villy* patent-date and the Nielsen patent-date and with *no other date.* Counsel's course was manifestly an attempt to lessen the effects of the plaintiff's own admissions against interest that the Villy Metal Horns in evidence embody *all* that was material in Nielsen.

Plaintiff's written admissions creating an *estoppel in pais* may be briefly summarized as follows:

1. Plaintiff's circular of November 15, 1906 (R., 50, our opening brief, page 73), charging that *all flower horns* were "flagrant infringements" of the *Villy Patent.*

2. Plaintiff affixes the Villy patent date (along with the Nielsen) to its Villy metal horns, thereby branding it as a Villy Horn. Question: Subtract Villy, how much of Nielsen is left?

3. Mr. Locke's letters (R., 181, and following) concerning the Villy Metal Knockdown or folding horn (italics ours):

> Dec. 12, 1906: "the most perfect product of the kind both structurally and *accoustically.*"
> Dec. 21, 1906: "In reference to the *metal* used in the knockdown horn etc."
> July 20, 1909: "It can be made from any weight of *metal* used. Its amplifying and tone qualities are equal to a lap seam horn."

4. "We are * * * owners of Patents Nos. *739,954* issued *September* 29, 1903, 771,441 issued October 4, 1904, and *12,442* issued *October* 26, 1905. These are the *earliest flower horn* patents." (Locke's letter July 20, 1909). Note: the first and third patents are the Villy original and the Villy Reissue respectively.)

Thus from 1906 to 1909 plaintiff repeatedly asserted that *Villy's* was *the* patent for the *flower horn;* that it was a patent for a *metal* horn; and that above all VILLY *dominated the art* rather than Nielsen (Villy's Claim 8 quoted in said circular of November, 1906).

II.

DOUBLE USE OF GERSDORFF (R., 994-1000).

Gersdorff, like Nielsen, uses *sheet-metal* for his device.

In contour, the Gersdorff device is practically identical with Nielsen's. For instance, if Fig. III

of Gersdorff's 1891 patent (No. 453,798, R., 994) be superposed upon Fig. 1 of Nielsen, then on holding the two sheets up to the light, it will be seen that the contours of the respective Figures are practically coincident.

As a matter of fact, outwardly-curving "bell-mouthed" phonograph-horns were old and well-known; and Nielsen merely undertook to construct out of sheet metal, a horn of that graceful and pleasing appearance. But, in order to do so, he had to cut out the gore-sections with curving edges, just as the dress-maker or tailor does in shaping a garment to fit the body. Moreover, metal-workers already knew how to do that very thing, as taught by "The Metal-workers' Pattern Book" (interleaved between pages 50 and 51 of our main brief in evidence without objection from plaintiff) of which we handed up three enlarged photographs with a sliding panel inserted.

As to construction: Gersdorff's said 1891 patent says (lines 49-50, page 995) he employs—

> "two, three or MORE," "longitudinal sections,"

which sections (lines 70-72) "extend from the top of the body portion to the lower end of the nozzle"; and Gersdorff further tells us (lines 77-81) that—

> "the sections are united together along their side edges through the body of the funnel, by bending the same to form flanges and interlocking and soldering the flanges together, thus forming *longitudinal* seams."

This 1891 patent is Gersdorff's earliest disclosure of this structure. But what is pertinent to us he here reserves for his *later* patent (also in evidence), saying (page 996, lines 29-34):

> "No claim is herein made to the funnel made of longitudinal sections, each section forming a part of the body and nozzle of the funnel and extending from the point of the nozzle to the top of the body, the sections being joined together by longitudinal seams, * * *."

To apply Gersdorff to Nielsen: As mere inert metallic structures, Gersdorff and Nielson are *identical;* and the following propositions are both pertinent and *true,* viz:

(1) During the lifetime of the Gersdorff patents, whoever should construct the device defined by Gersdorff's Claims, would infringe the patents,—even though he intended such device solely as a phonograph-horn and used it only for that purpose, and even though Gersdorff himself never contemplated using *his* device as a phonograph-horn.

Miller vs. Eagle, 151 U. S. 186.

(2) Certainly Gersdorff himself could not obtain a subsequent patent for the *same* structure when used as a phonograph-horn.

Miller vs. Eagle, *supra.*

(3) No more could Neilsen, a dozen years after Gersdorff, obtain a valid patent for the same structure, when designated "horn for phonographs or similar machines."

(4) Nielsen has made *no* "ingenious change" in Gersdorff's structure, and has *not* had to "reorganize" the Gersdorff device, in order to enable the latter to be used on the phonograph; and Nielsen has *not* had to provide any new attachment or other new device in order to apply Gersdorff's device upon the phonograph. Hence, Nielsen's alleged contribution is nothing more than a mere "double use" of the old Gersdorff funnel, and is not patentable.

Stearns vs. Russell, 85 Fed. 218, 229-231 (Sixth C. C. A.);

Aron vs. Manhattan, 132 U. S. 191, 198; and pages 94-104 of our main brief.

(5) During the lifetime of Gersdorff's 1893 patent, infringement of Claim 2 thereof (found on R. 1000) could be avoided, by merely omitting to flatten the sides of the nozzle (and consequently dispensing with the corresponding function). But the old Gersdorff device, defined by the *remainder* of Gersdorff's said Claim 2, and which the public was *always* free to use, is the same old device Nielsen is now claiming as new.

(6) Since the expiration of the Gersdorff patents, the public has been free to use the Gersdorff device, either with or without the flat-sided nozzle.—unless this Court is now going to permit the subsequent Nielsen Patent to deprive the public of the vested right it has heretofore enjoyed.

(7) The half dozen large Gersdorff funnels we produced in Court, in illustration of our argument,

are manifestly infringements of the Nielsen Claims in suit, whether said Gersdorff devices be used as phonograph-horns or for pouring water into the tank of a locomotive engine (while straining out the twigs and leaves that may happen to occur). Those large Gersdorff funnels can be used, just as they are, for *either* purpose,—either for playing a phonograph or for pouring water into a locomotive-tank. They are manifestly correct embodiments of *Gersdorff's* prior disclosures,—that fact is self-evident upon mere comparison. Therefore, we invoke the rule that "that which would infringe if later, must anticipate when earlier."

> Peters vs. Active, 129 U. S. 530; and
> Pages 17-18 of our main brief.

We may appropriately conclude the subject of "double use" and "substitution of materials" with a brief reference to the case of *Hoff* vs. *Iron-Clad,* (139 U. S. 326), which was a suit on a patent for a "coal-scuttle" made of *sheet-metal* shaped into the proper form. Claim 2 was for the article, and Claim 1 for the method of making it. A prior English patent to Hazeltine disclosed "improvements in cylindrical and other boxes, cases, cans and similar vessels."

Concerning the Hoff patent in suit, Mr. Justice BROWN said:

> "The essence of the Hoff patent consists in his method of manufacture, by taking a blank sheet of metal of the proper size and shape,

folding it in the form of a cone, and then crimping the smaller end to form the bottom which is thus made much thicker and more durable than the sides."

Mr. Justice BROWN pointed out that although in Hazeltine "many of the articles enumerated in his patent are evidently contemplated to be made of paper or paste-board, * * * (nevertheless) *even if the only material contemplated by Hazeltine were paste-board,* the adaptation of the same method of manufacture to a stiff material like zinc or sheet-iron would not necessarily involve invention so long as the process of manufacture is practically the same," and both of Hoff's Claims were held invalid.

Hoff vs. Iron-Clad, 139 U. S. 326, 329; 35 Law Ed. 179, 180.

III.

THE SEARCHLIGHT "PARABOLIC" HORN.

This Horn was made in great quantities for several years by plaintiff and is illustrated on their letterhead (reproduced and photographed at the back of our opening brief) and by two horns in evidence. This Horn was fluted and made in *four sections, soldered* together (XQ. 46-47, R., 169). Concerning this over-lapped joint of the sections, Mr. Locke informs us: (XQ. 48, R., 169) "in fact the joint was part of the *rib.*"

This parabolic Horn not only never bore the Nielsen patent date or number, but plaintiff has never

even claimed that it was covered by the Nielsen patent. In fact Mr. Locke on re-direct (R. 188) R. D. Q. 122 and following said:

"RDQ. 122. You have spoken, in your cross-examination of your company trying to put out a somewhat different horn as a novelty, in competition with the manufacturers of flower horns. What horns were you referring to as having been put out by your company as a novelty

"A. The horn called the *'parabolic'* horn.

"RDQ. 123. What was your idea in putting out that horn?

"A. To construct a horn so as to get a reasonable price.

"RDQ. 124. What was the character of the horns that were being put out by competing manufacturers at the time the Searchlight Horn Company commenced business?

"A. The majority of them were flower horns, and the old B. & G. horns.

"RDQ. 125. Do I understand you correctly that it was the idea of your company that by introducing a novelty, namely, the 'Searchlight' horn, you could get business for your company in spite of the competition of the big manufacturers? A. Yes sir.

"RDQ. 127. Did the parabolic Searchlight horn prove acceptable to the trade?

"A. Well, we sold 30,000 to 40,000 of them.

"RDQ. 128. "What was your idea in going into the manufacture and sale of the folding horn?

"A. Our principal idea was to make a horn of the same general construction as the regular flower horn, that could be collapsible and packed

in a very small space, and shipped with the talking machine in the original package."

Mr. Locke says (R., 192) in answer to RDQ. 140 —"I sold the National Phonograph Company (Edison) several thousand Searchlight Horns for the same trade, that is, their foreign department."

That plaintiff never considered its "parabolic horn" (which was a *sectional* and ribbed horn of *metal*) to be an infringement of Nielsen, is shown repeatedly by the testimony of Locke, thus: (R., 170):

"XQ. 55. What was the name by which the so-called Neilsen horns were sold by the Searchlight Company? What was the trade name?

"A. I do not know that we made any Nielsen horns. We tried to put out a horn that we thought would be a novel one, but it did not take in competition with the flower horn. There was no market for any horns at that time in competition with the big companies that made the horn a part of their equipment."

But in answer to XQ. 89 (R., 178), Mr. Locke corrects the first part of his answer and says they made a "few" Nielsen flower horns.

That, in the opinion of plaintiff, the "Parabolic" horn never infringed Nielsen is shown by the fact that plaintiff made that horn in considerable quantities *before* it secured from the United States Horn Co. the assignment of the Nielsen patent in suit (Locke, XQ. 45, R., 169, XQ. 53, R., 170); and that the Searchlight Horn Co. had no license from the

owners of the Nielsen patent (XQ. 55, R., 170). In answer to XQ. 88, R., 178, Mr. Locke says:

> "A. We made the regular flower horn, *but we pushed* this *Searchlight horn because it was different from anything else* on the market."

And to compare the reproducing qualities of the Searchlight "parabolic horn" with the Nielsen horn, Mr. Locke says (R., 185-6):

> "We always claimed that it was a better horn."

NOTE: This "parabolic horn" was, according to plaintiff's own admissions, a non-infringing, sectional, *ribbed* "flower horn" of *metal,* "abruptly flared" towards the mouth, and with the sections having *curved* meeting edges. These admissions go to show the very limited construction which plaintiff put upon the Nielsen patent prior to this litigation, and that *Villy* comprised all that was to be claimed for a *flower* horn, or as Claim 8 of Villy calls it, a horn with a "trumpet-like or bell-like form."

In other words, Mr. Locke and his Company during these early years reflected the common opinion of the talking-machine world, that the Nielsen patent, if valid at all, was so narrow as to be of no value. And plaintiff attributed to *Villy* ALL the supposedly-patentable subject-matter. Under such circumstances manifestly no injunction should issue, much less an accounting be decreed.

IV.

THE ALLEGED SUPERIORITY OF THE NIELSEN PATENTED HORNS.

Nielsen states in his patent that—"The object of the invention is to provide a horn for machines of the class designated which would do away with the *mechanical vibratory and metallic sound* usually produced in the operation of such machines."

Plaintiff by the use of unfamiliar phrases such as "vibrations of wide amplitude,"—"amplitude of vibrations,"—"metallic resonance,"—"squeaky tintinnabulations," etc., has sought to surround with mystery what is otherwise a very simple proposition. In this art, as in others, it is necessary for the Court to endeavor to put itself in the position of "the man skilled in the art" and in this connection we cannot refrain from quoting somewhat at length the keen observations of Judge MAYER in the recent case of

Kintner vs. Atlantic Co., 230 Fed. 829, 830.

> "The radio art (as wireless telegraphy is now called) is, at the outset, so mysterious to the layman that even its fundamentals still seem wonderful, and what to the scientist may appear to be but natural progress may carry an exaggerated importance to an unskilled mind. It is therefore vital to have a clear understanding of the state of the art, and at least to endeavor to perform that difficult feat of mental gymnastics whereby a lay mind presumes to understand, first what was known to that much

referred to person 'the man skilled in the art,' and next whether what was done went beyond the ken of that same person.

"Fortunately, in this case, we have an extraordinary array of men of super-scientific attainments, some of whom have spoken through their writings and others in the flesh, and, with the court transformed into a university classroom, it has been a liberal education to listen to the noted scientists who have appeared, either as experts or as fact witnesses, as well as to the many fine upstanding men whom the government and the wireless telegraph companies are fortunate enough to have in their service from officers to operators. From hearing what these men have said and reading what they and others have written, the case must be approached with the realization that 'the man skilled in the art' possessed a high order of knowledge and attainment and that something profoundly abstruse to men less qualified may have been the non-inventive, although useful, step forward, * * * when the date of an invention and the clarity of disclosure are in serious controversy the courts must be vigilant to prevent a result by which after-acquired knowledge, in a swiftly developing art, gives to a patentee that valuable control which would not have been his but for a later, or, if not later, a newly expressed, thought which he seeks to antedate.

"Finally, although at times, in some patent cases, much concern is expressed in argument about the rights of the public in regard to some alleged invention, without which, up to that time, the public had lived with philosophic complacency, yet in cases where advances in respect of health, safety, and comfort of living are concerned, the public has a real as well as a theoretical interest."

With this in view we have only to say that much that the appellee in his brief has said at page 16 and following, concerning the alleged behavior of the B. & G., Nielsen, and other horns, is in large measure not only contrary to the facts, but sheer nonsense.

On pages 39 and 30 of his brief, appellee italicizes the following paragraph:

> "The mechanical vibrations of the metal sections of the Nielsen horn are of such small amplitude in comparison with the vibrations of the prior horns, as to practically do away with, or at least to so minimize, as to render inaudible the harsh, squeaky, metallic sounds found in the horns of the prior art, and which this Court has denominated metallic resonance or tintinnabulation."

Horns of "metallic sections" with "mechanical vibrations" of "small amplitude" obviously belong to Villy. The Villy Metal Horn proves it. Mr. Locke and plaintiff admit it. Concerning Villy Mr. Locke writes (if we may be pardoned the repetition):

> "*Letter of December* 12, 1906:
>
> "The most perfect product of its kind ever turned out both structurally and accoustically."
> "*July* 20th, 1909:
>
> "Its amplifying and tonal qualities are equal to a lap-seamed horn."

Mr. Locke in answer to XQ. 108 (R., 185), claims superior reproducing qualities of the parabolic horn over the flower horn.

That as between Villy and Nielsen, Locke says, XQ. 110 (R., 186):

> "I never could see any material difference in the reproducing with the folding horn or with the regular flower horn."

Villy of course was prior art. So what did Nielsen contribute by way of "tonal advantages," or "filling a long-felt want," in view of plaintiff's own written admissions? Gersdorff was prior art; Turpin was prior art; and if the Court will but actually try-out the Gersdorff and Turpin Horns exhibited to the Court at final hearing by appellant, in comparison with the Nielsen Horn, your Honors will see for yourselves an end of the "tintinnabulation" bugaboo, since the Horns are all of equal accoustical value, except that the Turpin Horn is sweeter and softer.

PLAINTIFF ALWAYS CLAIMED PERFECTION FOR ITS "PARABOLIC HORN," "BRAZED PRACTICALLY INTO ONE PIECE" (COMPARE B. & G. HORN), AS AGAINST THE NIELSEN AND ALL OTHER HORNS.

Further admissions against interest by the plaintiff on this exploded theory of "long-felt want" filled by Nielsen is found in the advertisements of the *plaintiff* in copies of the "Talking Machine World," in evidence, some of these advertisements having been photographically reproduced. In its

June, 1906, advertisement plaintiff says (concerning its "Parabolic horn," mind you):—

> "The marvelous Searchlight Horn is designed and constructed on the scientific principle of a Searchlight reflector by a master of accoustics, made of carefully selected rust-proof sheet steel, giving uniformity of tone, strengthened by drawn ribs and *brazed practically into one piece* (more metal but properly distributed) *thus avoiding the rattling or discordant vibrations.* Reproduce louder and *clearer* than any other horn and to the full capacity of the record."

[Note the above: "brazed practically into one piece," making it really a B. & G. horn.]

In its July, 1906, advertisement, plaintiff says:

> "The marvelous Searchlight Horn is more than 100% stronger *and* 40% *clearer than any horn ever manufactured.*"

In its August, 1906, advertisement, it said:

> "The marvelous Searchlight Horn is the strongest and only *accoustically* constructed horn ever made."

In its September, 1906, advertisement, it said:

> "The success of the Searchlight Horn is at once the highest tribute to its merit. Pronounced by experts to be the only *accoustically constructed horn on the market.*"

In its October, 1906, advertisement, it said:

> "The Searchlight Horn is a revelation to the lover of good music. * * * When once you

have heard the 'Searchlight' you will have no other."

In its November, 1906, advertisement, it said:

"The Searchlight horn makes a soulful instrument of a talking machine."

Plaintiff did not acquire the Nielsen Patent until January 4, 1907 (See assignment R. 978-982).

It was touting the beauties and advantages of a horn "brazed practically into one piece" as against the "rattling or discorded vibrations" of its competitors, which according to plaintiff's own statements *were one and all then using the Nielsen multisection horn.*

NOTE: In 1906 there were two horns, the "Searchlight" and the "Nielsen."

In 1906 plaintiff strenuously proclaims the "Searchlight" horn to be the only "accoustically perfect" horn on the market, "avoiding the rattling and discordant vibrations" of all *other* horns (thereby necessarily including the Nielsen horn in its condemnation).

In 1916 plaintiff solemnly insists that the Nielsen horn was in 1906 the only "accoustically perfect" horn on the market, "avoiding the rattling and discordant vibrations" of all other horns (thereby necessarily including the "Searchlight").

If more evidence be needed to show that the theory of Nielsen is exploded, we would briefly direct the Court's attention to the testimony of the following witnesses for the defense:

Mr. Hunter (R. 211 and following) testifies:

"A. I have given the subject matter of the Nielsen patent and the claims, as to novelty of invention therein, very careful consideration, not only from a study of the patent itself taken in connection with my knowledge of applied accoustics, but also after having made a large number of tests and experiments; and it is my opinion, based upon this foundation, that the statements contained in the patent as to the results to be secured by the construction therein described and claimed is not warranted by the facts and that the results alleged to be accomplished are in fact not accomplished.

"As a matter of fact, it is not possible to brace, by ribs or otherwise, a sheet metal horn so that it will not produce vibrations and thereby sounds due to its own construction. Even though the horn were of a solid mass of cast metal it would still vibrate to some extent, but would possibly not produce any appreciable effect upon the sound waves from the reproducer which would be distinguished by the ear. However, when making the amplifying horn of sheet metal there would be no possible way of bracing it to prevent its own natural vibrations, although to some extent these vibrations might be modified by proper construction of the horn to give exceptional rigidity. This, however, is not accomplished by the construction which is illustrated and described and specifically defined in the claims of the Nielsen Patent in suit and I will explain more in detail my

reasons for the expression of this opinion, inasmuch as it is diametrically opposed to the statements which are found in the Nielsen Patent.

"IF we consider a plate as having bounding edges, the metal is in the best form to be set into vibration. In the Nielsen Patent these strips are provided with flanges along their edges, but these flanges are relatively of small vertical height as compared to the transverse width and area of the strips so that while in a measure they give rigidity to the edges of the plates they do not in any manner interfere with the free vibrations of the plates between the flanges. Moreover, the flanges of adjacent plates being soldered together does not interfere with the freedom of vibration of the various plates or strips making up the horn, because the amplitude of vibration is relatively small and the yielding character as well as the non-vibrating character of the solder joining the plates does not interfere with the independence of the plates as separate vibrating elements. These plates, in the actual horn structure, are free to vibrate and vibrate very readily. In my experiments with horns of this character, I found that the vibrations along the line of the ribs also vibrated very freely, said vibrations being greater toward the large end of the horn than toward the smaller end. * * *

"The manner of uniting the flanges in the Nielsen structure whereby there are a large number of plates or strips in making up the full circumference of the horn there is great tendency to increase the vibration permissible over what would be the case if such plurality of plates were made as of one integral plate bent into the general shape of the horn, substantially as indicated in Fig. 3 in cross-section without the ribs b^2. * * *

"I found that there was far less vibration in the horn *without* the ribs than there was in the horn with the ribs adjacent to these bent portions corresponding to the position of the ribs in the Nielsen Patent. As a matter of fact, in the horn without the ribs the continuity of the plate being present and modified by an angular bend, I found that there was far less vibration along the ridge of such bend than there was upon the rib formed upon the similar bend in the other horn made of the flanged strips and outwardly extending ribs to correspond to the Nielsen Patent. This was in exact accordance with what I would have expected because in the one case, notwithstanding that the plates were soldered tightly together, they were nevertheless independent plates when we consider a high state of vibration to which such plates are subjected, while on the other hand the plate which was continuous had no free edges and therefore the angular bend given to it acted very materially to stiffen it to such an extent as to prevent free vibration and under these conditions such line of bending acts as a nodal line, and would be largely equivalent to a plate at its point of clamping, namely, the point by which it may be held, whether at a single point or along a line. * * *

"These experiments indicated that the alleged operation or result set out in the Nielsen Patent was not correct as a matter of fact. It did not occur in the construction of a horn ribbed by employment of flanges secured together as therein described. * * *

"I came to the conclusion that there was no difference in favor of the horn having the strips united by the longitudinal seams (as in the defendant's horn in controversy) in the produc-

tion of less metallic sound due to the horn than in the case of the B. & G. horn. * * *

"It is an utter impossibility for any horn of flexible metal to act as an amplifier for strong sound vibrations without producing these metal lines as boundaries to the surfaces of vibration. * * *

"Considering these various experiments, supplemented, of course, by numerous experiments which I have before made from time to time in respect to reproduction of sound by the amplifying horn, I am thoroughly convinced that there is nothing in the construction of horn embodied in the defendant's structure which will prevent vibration of the horn 'to do away with the vibratory character' of the horn and 'do away with the metallic sound produced in the operation thereof,' namely, the essential objects of the Nielsen patent in suit, and as particularly recited in lines 71 to 77 inclusive of page 1 thereof."

Again on page 221, Mr. Hunter says:

"A. The making up of the horn in sections and connecting them by mechanical longitudinal seams in the horn of defendant's structure, enabled these sections to vibrate more freely than the same area of sections would have vibrated had they been of one continuous sheet of metal bent into the shape of the horn. Furthermore, in the case of the B. & G. type, the continuous surface of the metal curved in the form of a cylinder makes the construction more rigid against vibration than does the structure employing flat surfaces as in the defendant's horn structure, so that there was no minimizing or reducing of mechanical vibrations in the horn of defendant's construction over the B. & G. construction."

On page 222 Mr. Hunter says he finds nothing in the Nielsen patent "except the mere unsupported statement of the inventor that the ribs which he describes accomplish or are intended to accomplish" the minimizing of "tintinnabulation" or "mechanical vibrations."

Mr. Walter H. Miller, phonograph-expert, and engineer of Thos. A. Edison, Inc., testified, R. 324, that he had used reproducing horns in 1900 "at our recording plant at Orange which were equal, if not superior to any now used on the market."

> "Q. 14. (R. 324) Please describe the reproducing horns which you had in 1900.
>
> A. This was a brass horn with a spun bell about two foot in diameter at the large opening and tapered down to the usual opening, five-eighths of an inch. The length over all was about fifty-six inches."

Mr. Stewart connected with the phonograph business since 1894 (R. 572):

> "In the great many tests that I have made it has been found to be impossible for any one to distinguish with any degree of certainty the difference in the sound reproduction of any horn of approximately the same size as to length and diameter, except in that the longer the tube is, or the longer the horn, the deeper the tone. On one occasion Mr. Vandergrift of the firm of Sheip and Vandergrift came to our factory with a wood horn which they have since put on the market as the 'Music Master' horn. We tried Mr. Vandergrift's horn in comparison with several other horns on the same record, Mr. Vandergrift and others who were present making

the test having their backs turned to the machine, all those present having made notes as to which reproduction they considered as being the best, and the result was that they were all different, and Mr. Vandergrift picked out a metal horn as being the best all-round reproducing apparatus."

"RDQ. 208. Please compare the all-spun brass horn made by Hawthorne and Sheble with the so-called flower horn, such as that shown on page 8 of the Talking Machine World for January 15, 1905, with respect to their sound producing qualities.

"A. The full spun horn has a deeper tone as compared to the flower horn, this being partly due to the difference in the length of the horn.

"RDQ. 209. In your opinion, which, if either, is the better horn for the reproduction of sound from a phonograph record?

"A. The brass horn would be more pleasant than the other; but with the phonograph horns it is a great deal like the story about the lady whom during the campaign inquired if the man on the street who was selling photographs of the candidates, who would be the next president, as she wanted to buy his photograph. The man replied, 'I don't know, lady; you pays your money and takes your choice.'" (R. 576).

Mr. Kaiser, an expert in Phonograph work since 1891, says in answer to Q. 38 (R. 449):

"* * * most users of talking machines prefer to sacrifice the tonal quality of their machine than to sacrifice the harmony of surroundings in their home."

Again (R. 463) he testified as follows:

> "Q. 82. Please state whether any different effect is produced in a horn or phonographs by employing one seam, or more than one seam, in the construction of the horn with respect to the reproduction of sound from a phonograph record.
>
> "A. In my opinion, the seam makes absolutely no difference in the reproduction. I believe, however, that a horn would be more durable if constructed with more seams."

Mr. Senne, a manufacturer of phonographs since 1904, testified (R. 483 and 484):

> "Q. 60. Please state the effect in a metal horn for phonographs if the longitudinal ribs formed by joining together the edges of the tapering strips composing the horn?
>
> "A. In joining together the longitudinal edges to tend to stiffen the horn, it is absolutely necessary to have some kind of a joint to hold the horn in a rigid position."

Mr. Hawthorne, of Hawthorne & Sheble, manufacturers of Phonograph Horns, said in answer to Q. 43 (R. 512):

> "I have made a study of phonograph sound reproduction for almost twenty years. There is absolutely no foundation whatever in the claim that a horn made with longitudinal ribs will reproduce phonograph music or otherwise superior to other types of horns."

And again (R. 514), as follows:

> "Q. 48. Have you in your experience with horns for phonographs made any tests of the sound producing qualities for such horns?

"A. I have tested every type of horn that has been offered to the public and as they appeared. Each maker claimed peculiar advantages for his type of horn. The successful reproduction, however, depends upon the dimensions more than on any other feature.

"Q. 49. Please describe the manner in which you tested the sound producing qualities of different horns for phonographs, either by yourself or with others.

"A. There were faddists with horns the same as in motor cars. It was my business in selling horns to produce a horn that would suit the idea of the purchaser. In actual comparative tests, however, when it was desired to obtain results it was my custom to seat the listener with his back toward the horn and then ask them to designate which type of horn was in use. My theory was that the eye largely determined the type of horn they preferred, as it was more in harmony with their ideas. I frequently had horns brought to me for test purposes and they tested such horns against an ordinary type of horn, and the listener has selected the ordinary type of horn as being the best more often than they have selected their particular model.

"Q. 50. Is there any difference in the sound producing qualities of a horn by reason of the construction of a horn with one rib or with two or more ribs running longitudinally of the horn?

"A. Absolutely none."

Nielsen at best may be said to be in the position of one who discovers a difficulty or problem, but *fails* to solve it.

Patents, however, are granted for solving problems not for stating them.

Columbia Motor Car Co. vs. Duerer, 184 Fed. 893; C. C. A. (Selden Automobile Patent.)

V.

PLAINTIFF'S SELF-SERVING ADVERTISEMENTS.

Of the first 70 pages of Appellee's brief, constituting his main argument for the sustaining of the Nielsen Patent, he consumes approximately 10 pages (or one-seventh of his brief) in quoting laudatory advertisements, which so far as appellant can see, have no legitimate place either in the argument or in the record. We refer particularly to pages 50 to 58 inclusive, where page after page is given to quoting *printed hearsay.* The advertisements quoted are neither the advertisements of the Columbia Company (the defendant in the case at bar) nor of the Pacific Phonograph Co. nor of Sherman & Clay (defendants in the other cases where the alleged testimony was offered).

So much store is placed on these advertisements and laudatory articles and statements, that plaintiff in its brief quoted them not once but twice. See appellee's brief, page 92.

The variance between these advertisements *by strangers to the record,* offered by plaintiff to sustain the validity of its patent, and the advertise-

ments *of the plaintiff itself* (previously referred to herein as plaintiff's admissions against interest), is too obvious for comment.

In *Schlicht* v. *Aeolipyle Co.* (117 Fed. 299), it was held that while the admissions of a *defendant* through its *circulars and otherwise* cannot be ignored, such admissions are insufficient to establish the *validity* of a patent though they might be persuasive of infringement.

The vice of such printed hearsay to sustain a patent, is aptly expressed by the Court in *Bethlehem Steel Co.* v. *Niles-Bement-Pond Co.* (166 Fed. 894, affirmed in 173 Fed. 1019), viz.:

> "No small part of the complainant's testimony has been offered for the purpose of showing the utility of the patents. Several of its experts in their testimony have read into the record highly laudatory extracts of articles relating to them from various publications. So much store has been set on these that, with few exceptions, they appear in the record at least twice, and one of them three or four times. Such matter, if it were evidence, at all, would be evidence of a low order. But upon what theory, can it be regarded otherwise than as hearsay evidence? It is not known, in any legal sense, why the articles were written; who inspired them; who was their real author; what the source of his knowledge, or anything of his integrity, reputation, or experience. These are but a few of the many queries which instantly suggest themselves. It was hearsay testimony, and was not purged of that vice by being filtered through the mouth of an expert. If the

authors knew anything of value concerning these patents or their utility they should have been produced, and the source and accuracy of their knowledge tested in the usual way. * * *

"Again in this connection it is remarkable that so much testimony should have been given up to *laudatory articles and statements,* and so little to the testimony of the licensees under the patents, who must have known of their practical utility if it existed." (Pages 894-5).

What the plaintiff's aforesaid advertisements (in the case at bar) *do* go to prove is: *They supply what this Court said was lacking* in the Sherman & Clay Case, 214 Fed. 86, at page 94, (italics ours), to-wit:

"There was no evidence tending to show that this extensive use of the Nielsen Horns was due to any other cause than the merit of the device; *there was no evidence of greater business efforts or advertising in bringing the horns to the attention of the public.*"

In leaving this subject it may be said of the Nielsen Horn as Judge MAYER recently said of the popularity of an invention in the case of

Epstein vs. Dryfoos, 229 Fed. 756:

"In approaching the consideration of the patentable novelty of an article of wearing apparel, it is well, in a doubtful case, to weigh cautiously the influence of commercial utility, for, in addition to the merit of the product, many causes contribute to success, *notably a nation-wide market, change of fashions, clever advertising,* and *good business methods.*"

In that case the invention had proven an undoubted success and the plaintiffs had developed a large business from a modest beginning, but it appeared that the success of the patented device was in large measure influenced by prevailing fashions *and although the patent there had been sustained in two other Circuit Courts of Appeals, nevertheless the Bill was dismissed,* the Court concluding its opinion thus:

> " * * * desirable as is the recognition of invention, it is equally desirable that in a busy work-a-day art, the competitive field should not be limited by extending to the claims of a patent a scope which was never intended, and more especially where the contrivance, though successful, has by no means revolutionized the art."

VI.

LACHES AND ESTOPPEL.

The Appellee dismisses this subject in a half-dozen pages with the general charge that the defense is not supported by the proofs. Without questioning the motive of such an unwarranted statement we will briefly refer the Court to the following portions of the record in addition to those parts referred to in our opening brief between pages 110-124, inclusive thereof, as showing that the allegations of the Answer find *ample support* in the Record: The issue of Laches presented by the Answer is simply that the Columbia Company, defendant, was never a manufacturer of Horns, which fact was known to the plaintiff; that the defendant purchased

its Horns from Hawthorne & Sheble, or the Tea Tray Company, which fact was also known to the plaintiff; that the plaintiff as owner of the Nielsen Patent by its consistent conduct of exploiting the superiorities of the non-infringing sectional ribbed Searchlight Horn over the Nielsen, and the claimed superiority or equal advantages of the knock-down Villy Metal Horn over or with the Nielsen, and the refusal of the plaintiff to take any action against the manufacturers or other users or dealers in Flower Horns, naturally led the defendant to buy its Horns in the market where it could obtain them. Plaintiff could not or would not furnish them; Hawthorne & Sheble did furnish them, apparently under a claim of right, in the universal and wide-spread belief that the Nielsen Patent was either void or so limited as to be of practically no value. If a record ever supported such a defense, and a defense coming out of the mouths of the plaintiff's own witnesses, certainly this record does. Plaintiff's Counsel repeatedly in his brief admits the source of defendant's Horns. Thus, on page 21: "Notably among those workers was Mr. Sheble of the firm of Hawthorne & Sheble, *who furnished to the defendant in this case,* the Horns which are claimed to be an infringement."

And again, page 57, he says:

> "Hawthorne & Sheble are the manufacturers *who furnished to the defendants herein* the infringing Horns."

Plaintiff's witness, Arthur B. Pettit, (R. 164) testifies:

> "Q. 20. To what extent, if you know, did the Hawthorne & Sheble Mfg. Co. make the flower horn?
>
> "A. Toward the end of 1904, or early part of 1905, they commenced making the flower horn in large quantities and thereafter made it as their regular horn replacing the B. & G. and the brass horn. Later the *Hawthorne & Sheble Mfg. Co. made the flower horn for the Columbia Phonograph Company.*"

Appellee's Brief, page 132-133, says:

> "It does not even appear from the Record when the appellant began its infringement, or how long it was continued. * * * So far as the Record shows the infringement may have begun only a few days before the suit was filed."

Such bald statements are contradicted in numerous instances in the Record.

Mr. E. A. Merritt, one of the witnesses for the plaintiff, on direct examination says that the Columbia Company began infringing early in 1905. He says (R. 122-123):

> "Among these concerns that put the flower horns *upon the market in* 1904 *or early in* 1905 were the *Hawthorne & Sheble Mfg. Co.* of Philadelphia, the *Tea Tray Company* of Newark, N. J., the *Standard Metal Manufacturing Company* of Newark, N. J., and several other concerns. The success of the flower horn was so marked, however, that within a short time the

manufacturers of the phonographs themselves decided to give a larger horn with their equipment and themselves decided to adopt the flower horn. *From that time on* the flower became the regular standard equipment of the talking machine put out by the Edison, Victor, Xonophone and *Columbia* companies."

On pages 148 and 149, Mr. Wm. H. Locke, Jr., President of the plaintiff Company, says that early *in 1906* HE KNEW that the Columbia Company and the manufacturers of the Horns for the Columbia were infringing the Nielsen Patent.

He testified (R. 148):

"* * * *I called on Hawthorne & Sheble Mfg. Co. in February,* 1906, *and also about the same time, I called* upon Mr. Lawrence, president of the *Standard Metal Mfg. Company,* and Mr. Martan, president of the *Tea Tray Company,* and also met Mr. Conger, treasurer or secretary of that company. Mr. Krabbe had also called upon various concerns and we always notified them of our ownership of the patent and requested them to cease infringing. *Our attorney,* Mr. Burnham C. Stickney, *also notified various companies, including* the Eclipse Phonograph Company, Hoboken, New Jersey; Messrs. Geller Brothers, 275 West Cheney Street, Newark, N. J., the Tea Tray Company, Newark, N. J.; Standard Metal Mfg. Co., Newark, N. J., *Columbia Phonograph Company,* New York City; Hawthorne & Sheble Manufacturing Company, Philadelphia, Pa. I also called on the Victor Talking Machine Company and met their manager, Mr. Geisler, the National Phonograph Company and Columbia Phonograph." * * *

In answer to Q. 28, R. 149, he said:

> "A. *Each one stated* that too many concerns were making these flower horns to warrant it being the first to acknowledge the patent and cease infringement. *The invariable response* was that if we would stop the infringement by the other the particular one I was talking to would stop. In effect they decline to pay any attention to us until we had fought the case out in the courts."

Again on page 171, Mr. Locke testifies:

> "XQ. 57. When did the large companies begin to make the horn a part of their equipment?
>
> "A. My impression is, the Victor Company in 1906; the Edison Company in 1907; and the *Columbia people, in 1906.*"

Mr. Miller, at the argument on final hearing, in charging the wide-spread infringement as early as *1906*, said (referring to defendant and the other phonograph companies):

> "Every last one of them adopted the Nielsen Horn."

That statement must be based on first-hand knowledge, otherwise Counsel would not make such a sweeping charge.

Counsel for Appellee also says on page 58 of his brief:

> "We think it safe to say that the three great phonograph companies,—Edison, Victor and Columbia—have sold in the aggregate 3,000,000 phonographs containing Nielsen Horns."

On page 137 of his brief, he says:

> "The Columbia Graphophone Company is one of the three great phonograph companies of the world and in all probability has sold over 1,000,000 horns."

See also, Mr. Miller's affidavit (R. 958-959), quoted in our opening brief pages 122-123, wherein he says under oath that the Columbia Company has sold approximately 1,100,000 infringing horns, for which he will demand by way of damages on the accounting a royalty of 50c per horn "together with additional items of damages caused by the infringement."

May plaintiff be permitted, in view of the foregoing assertions of its own witnesses, to traverse defendant's contention that it, defendant, *had* been lulled into security and into making investments by reason of the conduct of the plaintiff, and that defendant *was justified* in believing (until this suit was brought) that if plaintiff ever claimed any alleged cause of action against the defendant such alleged rights were worthless and had been abandoned?

> "Courts of equity will not assist one who has slept under his rights and shows no excuse for his laches; and where he refrains from asserting them for prudential reasons he is entitled to less favorable consideration than if his conduct has been that of mere inaction."
>
> Thorne Co. v. Washburn Co., 159 U. S. 423; 40 Law Ed. 205-212.

Nor will constant claims do any good where no active steps are taken.

McKall v. Casilear, 137 U. S. 556; 34 Law Ed. 776-780.

We must apologize for the length of this Reply, but the issues are so important and the consequences so far-reaching that we have felt it our duty both to our client and to this Court to place before your Honors all the facts and circumstances on which this case must be decided.

The decree appealed from should be reversed with Costs, and the case remanded to the Court below with directions to dismiss the bill with Costs in that Court.

Respectfully submitted,

C. A. L. MASSIE,
CHAS. E. TOWNSEND,
ARNE HOISHOLT,
Of Counsel for Defendant-Appellant.

No. 2759

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

MAY SESSION, 1916.

COLUMBIA GRAPHOPHONE COMPANY
(a corporation),
Appellant,

vs.

SEARCHLIGHT HORN COMPANY
(a corporation),
Appellee.

APPELLEE'S ANSWER TO REPLY BRIEF FOR APPELLANT.

Filed
JUL 24 1916
F. D. Monckton

JOHN H. MILLER,
Counsel for Appellee.

PERNAU PUBLISHING COMPANY

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After the oral argument appellant secured permission to file a brief in reply to our brief. Such so-called reply brief has been filed. It is in no true sense of the term a reply brief, but is a new and independent argument. Consequently, we have secured permission from the court to reply to it. Six separate points are sought to be made against us. We shall examine them *seriatim,* stating them in the language of appellant's brief.

I.

"THE VILLY RE-ISSUE EXHAUSTED THE PATENTABLE SUBJECT-MATER."

This is the first point made and appears to be the one most relied on. The argument is prefaced by the statement that the Villy re-issue was not before the courts in the Sherman-Clay suit and is *new matter* herein.

This is not a fair statement of the situation. While it is true that the Villy re-issue was not formally admitted in evidence in the Sherman-Clay case (because of the fact that it could in no way affect the Nielsen patent, inasmuch as it was issued subsequent to the date of the Nielsen patent), nevertheless this court carefully considered what would have been the effect if it had been admitted in evidence, and in doing so examined and passed on the contention of the appellant made in reference thereto. Furthermore, for the purposes of the argument this court gave to the defendant in that case "full credit" for all that it claimed in respect of the re-issue, and then held that such contention was of no avail. In the defendant's brief in the Sherman-Clay case the same arguments were made in respect of the Villy re-issue which are advanced in the case at bar. By reference to that brief, it will be seen that the matter was discussed at pages 8-10, also at pages 27-9, also at pages 59-60, also at pages 63-67, also at pages 68-71, and in a desultory manner at other portions of said brief. In our

reply brief in that case we argued the matter at pages 5-19.

The matter was exhaustively discussed in that case and "full credit" was given to the appellant's contention just as if the re-issue had been admitted in evidence, that is to say, assuming for the Villy re-issue all that was claimed for it, nevertheless it did not affect the validity of the Nielsen patent.

In passing on the matter this court disposed of it (214 Fed. 95, 96) in the following language:

> "In this connection we may notice an error assigned relating to the refusal of the court to admit in evidence a re-issue of the Villy patent dated January 30, 1906. The plaintiff-in-error offered the re-issued patent in evidence at the trial. The defendant-in-error objected on the ground that it was not prior to the patent in suit; that is to say, the patent in suit is dated October 4, 1904, and the re-issued Villy patent is dated January 30, 1906, and that the latter could have no effect in construing the prior patent to Nielsen. No satisfactory answer was made to this objection in the court below. The objection was accordingly sustained, and the re-issued patent excluded. This patent is not in the record, and we are not able to form any opinion as to its elements. It appears that the United States Horn Company, the predecessor in interest of the defendant-in-error, purchased the original Villy patent, and thereafter, contending that broader claims should have been allowed, applied for and obtained a re-issue of the patent. It is contended that it was important that the re-issued patent should have been admitted in evidence for a number of reasons, among others that the defendant-in-error had marked its horns with the Villy re-issued patent

> of January 30, 1906, and also with the Nielsen patent in suit; thereby admitting, it is contended, that the Nielsen horn was constructed under the Villy re-issued patent, as well as under the Nielsen patent, and that the re-issued patent was the connecting link between the original Villy patent and the Nielsen patent. What merit there is in these contentions we are unable to determine from the record before us, but, giving to the statement of the plaintiff-in-error full credit for all that is claimed for the re-issued patent, we do not see how it was material or relevant to any issue before the court."

It is apparent from the foregoing that in the Sherman-Clay case this court effectually disposed of the Villy re-issue, and while the document itself was not admitted in evidence, nevertheless the court permitted the plaintiff-in-error to make his own statement of what he claimed in respect of the re-issue, and after giving "full credit" to that statement held that the re-issue was not material or relevant in any respect. Consequently, the appearance of the Villy re-issue in the case now before the court is in no sense of the term *new matter;* but on the contrary is the oldest of old matter, which has already been disposed of by this court. It is purely a question of law, and that question of law has already been decided by this court. This seems to us a complete answer to the argument now advanced in respect of the document, and perhaps no other reply is necessary; but appellant's argument is so inherently unsound on its merits, even if it were new matter, that we venture to add a few words on the subject.

The contention of appellant in this behalf is stated at the bottom of page 5 and top of page 6 of the brief as follows:

> "* * * by reason of applying for and obtaining the Villy re-issue while owning the Nielsen patent, plaintiff has formally and deliberately and irrevocably delivered over to Villy all the credit for inventing the subject-matter defined by the Nielsen claims in suit. This concession of inventorship in favor of Villy and against Nielsen, exhausts the patentable subject-matter, and estops plaintiff from now asserting Nielsen as the inventor of said subject-matter."

Observe; it is not contended that as matter of law the Villy re-issue actually had the effect suggested, but only that the palintiff by its acts has conceded that it had such effect, and, consequently, is estopped from now asserting to the contrary.

Before answering this argument we note a material misstatement of fact by counsel in saying that the plaintiff applied for and obtained the Villy re-issue. This is not true. The Searchlight Horn Company had nothing to do with the application for the re-issue. That re-issue was applied for and obtained by the U. S. Horn Company, a distinct corporation, before plaintiff acquired title to the Nielsen patent or any other patent. The facts are these:

On February 24, 1905 the U. S. Horn Company, a corporation of New York, acquired by assignment the Nielsen patent in suit (Rec. 973 and 975), and

shortly thereafter acquired the original Villy patent No. 739,932.

On October 26, 1905, while owning these two patents, the U. S. Horn Company applied for a re-issue of the Villy original patent, and on January 30, 1906, the re-issue was granted, about one year and four months subsequent to the date of the Nielsen patent, and was issued to and in the name of the U. S. Horn Company.

On January 4, 1907 both the Nielsen patent and the Villy re-issue were assigned by the U. S. Horn Company to the Searchlight Horn Company. Note carefully the above dates.

Prior to January 4, 1907 the U. S. Horn Company was selling the Nielsen horn and the Searchlight Horn Company was selling a phonograph horn of knock-down type and parabolic form, which was not covered by either the Nielsen or the Villy patents. The Searchlight Company sold about 35,000 of these parabolic horns, but did not make a commercial success of the same, and thereupon, on January 4, 1907, purchased from the U. S. Horn Company both the Nielsen and the Villy re-issue patents (see Rec. 146, 169-72, 177, 187-90).

It will be seen from the foregoing that appellant's counsel misstated a fact when asserting that the plaintiff applied for and obtained the Villy re-issue. Hence their position must be reformed in order to comply with the facts of the case, and when so reformed may be stated as follows:

"The fact that plaintiff's assignor, a corporation styled U. S. Horn Company, applied for and obtained the Villy re-issue while owning the Nielsen patent, operates to deliver over to Villy all credit for the subject-matter defined by the Nielsen claims and estops the Searchlight Horn Company, who afterwards acquired the two patents by purchase, from asserting to the contrary."

The first answer to this contention is that the purchaser of a patent from another person for a valuable consideration is not bound by derogatory statements or acts in respect of its validity made or done by the assignor, while owning the patent, and such purchaser is not estopped from asserting to the contrary. If, after a patent owner sells the patent to another for a valuable consideration, the assignee brings an infringement suit, surely it is no answer to the suit for the infringer to say that the former owner of the patent, while holding the same, admitted that it was invalid.

This involves a consideration of the question of whether a subsequent owner of property is bound by statements made in respect of that property by the former owner while holding the same. As regards real estate there is a rule of evidence to the effect that admissions by the owner of land while in possession, which tend to show the character of his possession and the title under which he claims, are relevant for that purpose as against his grantee, but are not relevant for the purpose of impugning his title. Such rule, however, relates only to real

estate and does not apply to personal property. In respect to personal property declarations, admissions, and statements of the former owner are not relevant against the subsequent owner in a suit brought by him relating to the property in question.

This question was considered and ruled on by the Supreme Court in the case of *Dodge v. Freedmans Savings & Trust Co.*, 93 U. S. 379, where such declarations were offered in evidence. The Supreme Court said at page 382:

> "No principle can be found to justify the admission of this evidence. It has long been settled that the declarations made by the holder of a chattel or promissory note, while he held it, are not competent evidence in a suit upon it, or in relation to it, by a subsequent owner."

Inasmuch as a patent is personal property, it follows that no declarations, admissions, statements, or acts made or taken by the United States Horn Company in respect of the Villy re-issue are relevant or competent as against the Searchlight Horn Company, who is a subsequent purchaser for a valuable consideration.

Appellant's counsel seek in their brief to anticipate this objection by saying, at page 10, that the United States Horn Company was identical in interest with the plaintiff, Searchlight Horn Company, and whatever constitutes estoppel against the United States Horn Company constitutes estoppel against plaintiff. In this connection they refer to the testimony of Locke to the effect that "ownership in

the two companies was practically the same". But this is no answer to the rule of evidence above stated. Precisely what the witness meant by saying that the ownership of the two companies was practically the same is not made clear by the evidence. We may assume it to mean that a majority of the stock of both corporations was owned by the same set of individuals. That, however, is not controlling. While it is true that the stockholders elect the board of directors, nevertheless the board of directors in their executive capacity operate the corporation according to their own judgment. In this case the president and secretary of the U. S. Horn Company were Alexander L. Winter and John C. DeGraw respectively, and those of the Searchlight Horn Company were William H. Locke, Jr., and Chas. Percy Bogart (Rec. 138, 982).

We submit that nothing which the U. S. Horn Company said or did in respect of this Villy re-issue can have any binding effect on the rights of the Searchlight Horn Company under the Nielsen patent.

Alleged Admissions of Plaintiff.

But it is asserted by appellant's counsel that the Searchlight Horn Company itself made certain admissions and did certain things which constitute an estoppel against it. Those things are specified at pages 14 and 15 of the brief, and in substance are as follows:

1. The assertion that plaintiff's circular of November 15, 1906, charged all flower horns to be infringements of the Villy re-issue.

2. Action of plaintiff in affixing to the foldable metal horns sold by it the patent dates of both the Villy and the Nielsen patents.

3. Mr. Locke's letters to the National Phonograph Company concerning what is styled "the Villy Metal Knock-down or folding horn", in which he asserted said horn to be acoustically the most perfect horn.

4. Locke's letter of July 20, 1909, in which he asserts that the Nielsen patent and the Villy re-issue patent are the earliest flower horn patents.

The most casual consideration of the four items stated shows that they are without merit and wholly insufficient to constitute the basis for an *estoppel in pais*. Consider them briefly in detail.

As To Item No. 1, *supra*, the circular in question appears at pages 49-50 of the record. At page 14 of appellant's brief it is asserted that this circular charges "that *all flower horns* were flagrant infringements of the *Villy patent*". This is not a fair statement of the facts. The circular in question is addressed to the trade generally and from it we quote the material portions as follows:

> "Becoming alarmed at the rapidity with which our Searchlight horns have gained the favor of the public, our competitors have in an unbusinesslike manner attempted to intimidate our customers. We, therefore, notify you

> that the Searchlight horn is protected by United States letters patent No. 771441 of October 4, 1904, and No. 12442 of Jan. 30, 1906. * * * *All of the so-called Flower Horns made by our aforesaid competitors are flagrant infringements of said patents.* The Searchlight horn is further protected by United States patent No. 38275 of October 9th, 1906, and other patents covering said horn will issue in due course. If after the knowledge of these facts you consider it prudent to buy Flower Horns other than the Searchlight, do not hold us blame-worthy if trouble ensues, as we have been obliged to place the patents in the hands of our attorney with instructions to take steps to protect our rights thereunder; and remember, please, that we make the best horn in the market and sell it at a fair price."

It is only the italicized portion, *supra* (italics ours) which is relied on by appellant's counsel, and their contention is that the same constitutes an assertion that *all flower horns are flagrant infringements of the Villy re-issue.*

What the circular does charge is that certain "so-called flower horns" (not described) made by certain persons (not named) are infringements of said patents, Nos. 771,441 and 12,442. This is far from asserting that all flower horns are infringements of the Villy re-issue.

Again; when the circular charged that the particular horns referred to—were "infringements of said patents", did it mean that each of said horns was an infringement of both of the patents, or merely that some were infringements of one and others

infringements of the other patent? The language is susceptible of the latter construction.

But whatever may be the true construction, it is merely a trade circular by a manufacturer for the purpose of boosting his goods. Such statements cannot constitute an *estoppel in pais.*

But after all, suppose the writer of the circular did intend to charge that all flower horns were infringements of the Villy re-issue, that was merely the expression of an opinion on a question of law. He may have been honest in that opinion, and yet he may have been in error. Such an opinion was clearly erroneous, because Villy's re-issue covers only a *foldable* flower horn made of *paper, wood, linen* or other similar material, and does not cover a rigid non-foldable flower horn made of metal. A man is entitled to change his opinion after discovering it to be erroneous. If the Old Virginia negro, who insisted "that the sun do move", should ultimately be convinced of his error, surely his change of opinion could not be imputed to him as a reproach.

As To Item No. 2, *supra,* it asserts that plaintiff affixed the Villy patent date, along with the Nielsen, "to its Villy metal horns, thereby branding it as a Villy Horn". It is true that plaintiff made a few collapsible metal horns having piano-lid hinges and marked such horns "patented Oct. 4, 1904 and Jan. 30, 1906". These are the dates of the Nielsen and Villy re-issue patents. Were we inclined to be technical, we might well say that there is no evi-

dence to show that plaintiff did not own other patents bearing those dates; but we prefer to put our answer on a broader ground, and that is to say that the marking of the horns with the Villy re-issue date is, at best, nothing more than the expression of an opinion that the horn was covered by the Villy re-issue patent, which opinion was erroneous.

Villy Patent Does Not Cover Metal Horn.

Appellant's counsel, at pages 11-13, argue as a matter of law that this collapsible metal horn was covered by the Villy re-issue. In support of this they quote from the Villy patent the statement therein appearing that the horn is made "by employing a series of strips of paper, wood, linen, or other preferably flexible material", and they then argue that the words "other preferably flexible material" cover sheet metal.

The argument is unsound. Counsel forget the doctrine of *ejusdem generis,* sometimes called *noscitur a sociis.* That rule of construction is known as "Lord Tenterden's rule", and was announced by him in the year 1827, in the case of *Sandimar v. Breach,* 7 B. & C. 96. In substance it is as follows:

> Where general words follow an enumeration of particular ones, the rule is to construe the general words as referring to things of a like character to the particular things enumerated, that is to say, the general words refer to things of the same kind (*ejusdem generis*) as the particular things enumerated.

This rule finds expression in many American cases. Thus, in *Spaulding v. the People,* 172 Ill. 40, it was held that the doctrine of *ejusdem generis* is that where an enumeration of specific things is followed by some more general word or phrase, such general word or phrase is held to refer to things of the same kind.

And in *Benton v. Benton,* 63 N. H. 295, it was held that the rule *ejusdem generis* ordinarily limits the meaning of general words to things of the same class as those enumerated specifically.

In the case of *U. S. v. Mescall,* 215 U. S. 31, Mr. Justice Brewer puts it thus:

> "Where particular words of description are followed by general terms, the latter will be regarded as referring to things of a like class with those particularly described—*ejusdem generis.*"

The rule was applied by the Court of Appeals of the 6th Circuit in *U. S. v. Celluloid,* 82 Fed. 627, where the words under consideration were "owner, importer, consignee, agent, or other person". The court, through Judge Lurton, held that the words "or other person" mean only persons of the same general class as those described by the preceding words and did not include a stranger who was a mere trespasser in respect of the goods.

At page 635 he says:

> "The descriptive words preceding all describe some person having a relation to the owner, and for whose conduct, in respect to his mer-

> chandise, he may be responsible. The words 'other person', when a forfeiture of merchandise is sought, mean some one of the same general class as those described by the words with which it is associated".

Further citations are unnecessary. The rule is an elementary one and well known to experienced practitioners. Applying it to the facts in hand, the words "other preferably flexible material" appearing in the Villy patents must be taken as referring only to flexible material of the same general character as paper, wood, or linen, which had already been particularized. This construction excludes sheet metal, because that material is not of the same general character as paper, wood, or linen. And this argument is rendered unassailable by considering the document as a whole and construing it by its four corners. There is not the slightest intimation in it that sheet metal was contemplated. On the contrary the inference is that sheet metal was not contemplated, because the paper, wood, or linen was to be pasted on to a backing of fabric so as to produce flexible joints. It is apparent that sheet metal could not be so utilized, and if a person concluded to use sheet metal, it would be necessary for him to devise a wholly different kind of joint, such as the counsel's piano-lid joint, and this would necessitate a reorganization of the entire structure. Indeed that is precisely what the subsequent patentee Berner did. He improved over Villy by making a horn of sheet metal sections with piano-lid joints, and for that construction he secured an

independent patent with 49 claims (Rec. 1109). The Villy re-issue discloses as its material only paper, wood, or linen, and makes no disclosure whatever of sheet metal.

As To Item No. 3, *supra,* specified at page 15 of appellant's brief, it asserts that certain letters written by Mr. Locke claimed that the so-called Villy metal horn (i. e., the folding metal horn which plaintiff unsuccessfully tried to market) was both structurally and acoustically the most perfect of all horns. From this it is argued that our claim of acoustic superiority for Nielsen's horn must fall. Three letters are referred to, those of December 12, 1906, December 21, 1906, and July 20, 1909. The first appears at pages 181-2 of the record, and a photographic copy of the same is annexed to the appellant's original brief. The second letter appears at pages 182-3 of the record, and the third at pages 184-5.

The first letter says:

> "The last knock-down sample horn we sent you we consider the most perfect product of its kind ever turned out, both structurally and acoustically."

Said letter contains a cut of the horn referred to and one of said horns is in evidence.

The second letter, that of December 21, 1906, refers to the metal used in the said knock-down horn.

Reference to the testimony of Mr. Locke shows that the said horn referred to was the horn of

parabolic shape made in four pieces held together by screws, so that it might be taken apart when not in use and packed away in a box. It was not the folding metal horn, which counsel style the "Villy metal horn". It was neither the Nielsen nor the Villy horn, nor was it an infringement of either of those patents, but was a distinct novelty devised by the Searchlight Horn Company (Rec. 188, 189, 190). Consequently, when the appellant's counsel stated at page 15 of their brief that these letters referred to the so-called Villy folding metal horn, they made a positive misstatement of fact. Such conduct is wholly inexcusable. It is the duty of counsel to aid, not to mislead, the court, and in performing their duty it is incumbent on counsel to state the record facts correctly. Counsel may be excused for misstatements of law, because law is largely a matter of opinion; but he can not be excused for misstatements of a record fact. Again and again have the counsel for appellant made misstatements of fact in this case. Some of them we have overlooked, being charitable enough to attribute them to carelessness, engendered by excessive zeal; but the misstatement of fact which we are now considering is so inexcusable that it would appear to have been inspired by an intention to mislead. But whatever may have been the intention, it is perfectly clear that Locke's statements did not refer to the so-called Villy metal horn, and are, therefore, ineffective for the purpose for which they were cited.

As To Item No. 4, *supra,* referred to by counsel, that is a letter written by Locke, on July 20, 1909, to the president of the National Phonograph Company (Rec. 184), in which he says:

> "Enclosed you will find United States letters patent just issued on our Folding Horn. French and English patents have been granted, German to follow. The United States and Foreign rights are for sale. Price reasonable—terms will be made satisfactory.
>
> This horn is the only practical all-metal collapsible horn in the world, and consists of a hinged bell, inner tube, outer tube, and nut. It can be made from any weight of metal now used. Its amplifying and tone qualities are equal to a lap-seamed horn, and in quantities can be manufactured at a moderate advance in cost. Made to pack with the talking machine in the original package, reaching the consumer without rehandling, and in perfect condition, thereby eliminating the necessity for more than one package, a great saving in room, freight and expressage. Can be finished in any color or decoration.
>
> We are also owners of patents 739,954, issued September 29, 1903, 771,441, issued October 4, 1904, and 12,442 reissued October 26, 1905. These are the earliest Flower Horn patents."

The patent referred to in the first part of the letter is that of Berner, No. 926,235, dated June 29, 1909, and appearing between pages 1109 and 1117 of the record. It is the patent which covers the folding metal horn attempted to be marketed, but without success, by the Searchlight Horn Company, and which horn appellant's counsel have styled the "Villy metal horn". According to the Locke let-

ter, this Berner patent was offered for sale to the National Phonograph Company, and at the end of the letter reference is made to the fact that the Searchlight Horn Company was also the owner of the Nielsen and Villy patents, which were designated as "the earliest flower horn patents".

The attempt of counsel to get any comfort out of this letter is analogous to that of a drowning man grasping at a straw. The contention in that behalf is so palpably without merit that we shall not dignify it with an answer.

At page 15 of their brief counsel sum up their position by asserting that it has been made to appear that from 1906 to 1909 plaintiff repeatedly asserted that *Villy's* was *the* patent for the *flower horn;* that it was a patent for a *metal* horn, and that above all Villy *dominated the art* rather than Nielsen. (Italics quoted.)

Answering these statements, we deny that the plaintiff ever asserted that Villy's was *the* patent for the *flower horn,* but only that it was *a* patent for *a* flower horn and was one of the earliest; we deny that the plaintiff ever asserted that the Villy patent was for a *metal* horn; we deny that plaintiff ever asserted that Villy *dominated the art* rather than Nielsen.

But as a final and complete answer to counsel's contention regarding the Villy re-issue, concede for the sake of argument that the plaintiff was originally of the opinion that the Villy re-issue covered

a metal horn and that the foldable metal horn attempted to be put out by plaintiff was made under that patent, what of it? It was at best merely an opinion on a question of law, and even the wisest of lawyers and the astutest of judges sometimes differ on questions of law. Is the Searchlight Horn Company now to be held conclusively bound by an erroneous opinion on a question of law which it may have held years ago? To err is human, but to confess error is the highest attribute of a strong mind. Therefore, when we find a court overruling one of its former decisions as being erroneous, we give praise rather than condemnation. In this case we say, that, if the acts of the Searchlight Horn Company in respect of the Villy re-issue can be construed into the assertion of an opinion that the Villy re-issue covered a metal horn, then that opinion was erroneous, because the Villy re-issue does not disclose a metal horn, and the Searchlight Horn Company cannot be bound forever by an opinion on a question of law which has been subsequently shown to be erroneous. In this connection we refer to this court's opinion in the Sherman-Clay case (pp. 94-5), where the Villy original patent is construed and held not to affect the validity of the Nielsen patent. According to that opinion it does not cover a metal horn.

But finally and as a conclusive answer to counsel's contention, there can be no estoppel in favor of the appellant because it does not appear from the evidence that the tortuous acts of the Columbia

Graphophone Company were induced by reason of any statements, acts, or conduct of the Searchlight Horn Company.

Apparently counsel are not familiar with the doctrine of *estoppel in pais*. We venture, therefore, to enlighten them on the subject.

Doctrine of Estoppel in Pais.

This doctrine practically originated with Chief Justice Denman in the famous case of *Pickard v. Sears,* 6 A. & E. 469, decided in 1837. It is true that the doctrine had been hinted at before that time, notably by Mr. Justice Ashurst as early as the year 1787 in the case of *Lickbarrow v. Mason,* 2 T. R. 70, and by Lord Eldon in the case of *Evans v. Bicknell,* 6 Ves. 183; but it was not until the case of *Pickard v. Sears* that the doctrine received its fullest expression. A little later Baron Parke, in the case of *Freeman v. Cook*, 6 B. & C. 174, suggested a slight modification, and the original doctrine as announced by Chief Justice Denman and modified by Baron Parke has ever since been well settled law. It may be stated in substance as follows:

> Where a person by anything which he does or says, or abstains from doing or saying, intentionally causes or permits another person to believe a thing to be true and to act upon such belief otherwise than he would have acted but for that belief, and he so acts and materially changes his position, then the first person is not allowed in a suit between himself and such other person to deny the truth of the thing stated.

Apply this rule to the case at bar. There is not a scintilla of evidence to show that the plaintiff ever said or did anything, or refrained from saying or doing anything with the intention of causing the Columbia Graphophone Company to adopt and sell the horns which are charged to be an infringement, or to believe that they had a right to do so; nor is there a scintilla of evidence to show that Columbia Graphophone Company adopted those horns by reason of any act or statement of the Searchlight Horn Company. There is no evidence giving an explanation of the reason inducing them to adopt the infringing horns. There is no evidence of the facts and circumstances under which they adopted the horns. There is no evidence of any kind on the subject. There is merely the bald fact admitted by stipulation that within six years prior to the commencement of the suit they sold the horns which are charged herein to be an infringement. Not a single witness was called by appellant on this or any other point. They took no testimony, but submitted their case on the testimony taken in the Pacific Phonograph case. Every element of an *estoppel in pais* is wanting; or, to put it in different language, not a single element of an *estoppel in pais* is present. Appellant attempted to plead an *estoppel in pais,* but produced no evidence on the point. At page 130 of our former brief, we quoted from the appellant's answer the facts pleaded by them in this behalf, and we have there shown that not a word of proof was offered for the purpose of sus-

taining the same. In this behalf we refer to pages 129-133 of our former brief.

II.

"DOUBLE USE OF GERSDORFF."

This relates to the Gersdorff patents for a funnel. The contention is that the use of a Gersdorff funnel for pouring liquid into a barrel would naturally suggest to a person the practicability of using that funnel, when inverted, as a phonograph horn for delivering musical notes from a music box without contamination or adulteration caused by the vibrations of such funnel.

A similar argument was made in the Sherman-Clay case in respect of the McVeety & Ford ship ventilator, which device was made in metal sections with outside ribs and was used for the purpose of drawing by suction foul and noisome vapors from the hold of a ship and discharging them into the open air. In respect of such a device and others of an analogous character, this court said at page 94 of its decision:

> "The very obvious objection to these patents as tending to prove that the patent issued to Nielsen for phonograph horns was void for anticipation is that they were all for articles other than phonograph horns, and consequently qualities claimed by Nielsen to be resultant in a phonograph horn by reason of the arrangement of the strips of metal in a certain manner, and fastened together in a specified way, would

> be entirely lacking in any other instrument or article formed in any manner whatsoever. We shall not, therefore, attempt to set forth the distinguishing features of, or draw comparisons between, the horn for phonographs and similar machines patented by the letters issued to Nielsen and the articles described in the various American and British patents introduced in evidence. Such procedure would serve no useful purpose, nor would it assist us in any degree to a solution of any of the questions arising on this appeal."

Applying this rule to the Gersdorff funnel, no one would ever suspect that a Gersdorff funnel, when inverted, would deliver musical notes from a music box without contamination or adulteration from the vibrations of the funnel, merely because he knew that such a funnel could be used for pouring vinegar into a barrel or whiskey into a demijohn. This contention of double use is so farcical that it tends to excite one's risibility. It is no better than the argument which sought to anticipate the sand blast patent by citing a contrivance attached to a locomotive for frightening cattle off the track by shooting sand at them.

III.

"THE SEARCHLIGHT PARABOLIC HORN."

This horn was the parabolic horn made by the Searchlight Company before it acquired the Nielson patent, and was constructed of four pieces, fastened together by screws, so that, when desired,

the horn could be taken apart and its separate pieces packed away (Rec. 177, 185-6, 188-90, 192). In fine, it was a knock-down horn. It bears no relevancy to any issue in this case. Counsel assert that, inasmuch as the Searchlight Horn Company did not consider this horn to be an infringement of the Nielsen patent, therefore the Nielsen patent was so narrow as to be of no value, and the plaintiff attributed to Villy all the supposedly patentable subject-matter (brief 23). This argument is not worthy of serious consideration. This court will determine, in fact has already determined, the proper scope of the Nielsen claims, and it is immaterial what opinion the Searchlight Company formerly held as to that matter. The court will not base its decision on the opinion of laymen, but on the law and the facts in the case.

IV.

"THE ALLEGED SUPERIORITY OF THE NIELSEN PATENTED HORNS."

Under this head counsel assert that our theory on this subject is in a large measure not only contrary to the facts but sheer nonsense.

As to our statements being contrary to the facts, we quoted the testimony *in extenso,* and it is for this court to say whether our statements were contrary to the facts or not.

As to our statements being sheer nonsense, counsel may think that is the proper way to answer an

argument. We venture to suggest that assertion is not argument, asseveration is not proof, and if counsel disbelieved our theory, they should have endeavored to disprove it.

The theory is either right or wrong. If it is wrong, it can be overthrown by proof; but it certainly cannot be overthrown by the bald statement that it is sheer nonsense.

Under this heading counsel for the first time undertake to cite testimony from their witnesses showing that the Nielsen horn does not produce the result claimed for it, and which this court held in the Sherman-Clay case it did produce. The first witness cited is RUDOLPH HUNTER. This gentleman is an attorney-at-law, who acts in the character of a professional expert in patent cases. In consideration of a large *per diem* he is called to give his legal opinion on matters, just as a lawyer is hired for the same purpose. He argues the matter in his deposition, while the lawyer argues the matter in court. Now this wise man, who is designated by appellant's counsel as "the celebrated talking machine expert", informs us substantially that in the secrecy of his office or laboratory or whatever place he uses for the purpose, he has tested various and sundry phonograph horns, some of which he made or caused to be made himself, and as a result of these various tests it is his opinion that the Nielsen horn does not produce the result claimed for it, in fact, that the old B. & G. horn was not only not inferior, but was even superior, to the Nielsen horn. In making

these tests he has used as representatives of the Nielsen patent two horns which he himself made or caused to be made. They are clumsy, awkward, and inefficient devices, not made according to the Nielsen patent, and are not in any sense correct representatives of the Nielsen horn. There were plenty of Nielsen horns accessible to the witness; but, instead of securing one of them, he proceeds to construct horns for himself, which he calls Nielsen horns, but which are in no sense true Nielsen horns. This fact alone would serve to minimize the effect of his testimony; but outside of that fact it has been repeatedly held that *ex parte* tests and experiments made by witnesses out of court and not in the presence of the other side are of no value and must be disregarded.

Bemis v. Stevens, 177 Fed. 720-1;
Bethlehem v. Niles, 166 Fed. 888;
Plunger v. Standard, 165 Fed. 911;
Rynear v. Evans, 83 Fed. 697; and
Chadeloid v. Wilson, 220 Fed. 682.

But the most casual examination of the testimony of Hunter will show that he has misconceived the whole situation. He endeavored by his experiments to show that it was not possible to construct a sheet metal horn that would be wholly free from vibrations. His testimony is quoted by appellant's counsel at page 30 of their brief. We do not contend that a horn can be constructed which is wholly free from vibrations. Nor do we claim that the Nielsen horn is wholly free from vibrations. Our conten-

tion is that by the Nielsen construction the vibrations are so reduced in amplitude as to be inaudible. Nielsen did not undertake to prevent vibrations. That was an impossibility. What he undertook to do was to so change the character of the vibrations as to prevent adulteration of the music, and that end was accomplished by producing vibrations of such small amplitude as to be inaudible. That is the Nielsen theory, and Mr. Hunter does not undertake to answer it. He side-steps it by saying that Nielsen undertook to prevent all vibrations. This is an error and shows that Mr. Hunter either failed to understand the Nielsen patent, or, if he understood it, he deliberately misinterpreted it.

The next witness referred to by appellant's counsel is WALTER H. MILLER, an employee connected with the Edison Company. He merely says that in 1900 Edison had at his plant a recording horn which was equal if not superior to any one on the market. This proves nothing material to the issues in this case.

The next witness is MR. STEWART, whose testimony is quoted at pages 34-35 of appellant's brief. When he was asked which in his opinion was the better form of horn, he replied as follows:

> "The brass horn would be more pleasant than the other; but with the phonograph horns it is a great deal like the story about the lady whom during the campaign inquired of the man on the street who was selling photographs of the candidates, who would be the next president, as she wanted to buy his photograph. The

> man replied, 'I don't know, lady; you pays your money and takes your choice.' "

Refraining from commenting on Mr. Stewart's bad grammar, we suggest that the testimony as given by him is at best but the opinion of an interested witness, and is worthy of no credence in view of the fact that his employee has used the Nielsen horn instead of the brass horn which he said was "more pleasant".

The testimony of KAISER and SENNE is next referred to at pages 35-6. Kaiser is the man who invented a paper horn, and naturally he prefers those to others. Senne is the man who infringed upon the Nielsen patent and against whom a decree by default was rendered. The testimony of such witnesses is worthless.

The last witness is HAWTHORNE, who gives it as his opinion that the sectional type of horn with longitudinal ribs is not better than the old horns of the B. & G. type. This opinion loses all of its force when we recall that prior to the advent of the Nielsen horn Hawthorne's firm (Hawthorne & Sheble) were engaged in marketing the old B. & G. horn, and noting the defects in that horn took out patent 769,639, of May 10, 1904, for overcoming those defects. The patent appears between pages 1067 and 1069 of the record. In that patent it is stated that the object of the invention was

> "to provide means for damping or preventing the vibrations of the metal of which the horn is composed which heretofore have ordinarily

> interfered with the vibration of the column of air within the horn, so as to give a more or less objectionable quality to the music or other sounds reproduced by the machine to which the horn is attached".

The patent also says:

> "To those accustomed to the use of machines for reproducing sound it is well known that hitherto there has always been present an objectionable metallic note produced by the machine when in operation, due in a great measure to the fact that the vibrating column of air within the horn sets in vibration the metal of the horn itself, which in turn causes vibrations of air, so as to give rise to the objectionable note or tone mentioned."

In order to overcome this defect, which is the identical defect which Nielsen sought to overcome, Hawthorne & Sheble provided their horn with a cloth covering, claiming that such device would do away with the said defect.

It proved, however, in practice, that this claim was wholly erroneous. The cloth covering did not overcome the defect in question, and as a result Hawthorne & Sheble abandoned the use thereof and consigned the horn of this patent to the scrap heap.

Shortly afterwards, October 4, 1904, the Nielsen patent appeared, and we find in the record the following noteworthy facts: Mr. Hawthorne went over to New York and secured a sectional metal horn embodying the Nielsen construction. The evidence does not show that it was a horn made by Nielsen, but the presumption is to that effect, inas-

much as the Nielsen horns were at that time being manufactured at New York. But whether this horn was made by Nielsen or not is of no moment, the material fact is that it was a horn embodying the Nielsen invention. Mr. Hawthorne delivered this horn to the workmen in his shop and instructed them to duplicate it. They had great difficulty in accomplishing this at first, as they did not know what the horn was composed of or how its various parts were constructed and put together. Finally they took the horn apart, and having in that way discovered its method of manufacture they proceeded to and did duplicate the horn, practicing thereby a rank infringement of the Nielsen patent. Hawthorne & Sheble then proceeded to manufacture these infringing horns and continued to do so for years afterwards. In fact they may be manufacturing and selling them at the present time so far as we know.

Thus we see that Mr. Hawthorne and his firm recognized the defect of the prior art and attempted to overcome it by a cloth covering, but utterly failed. They afterwards became acquainted with the Nielsen horn and proceeded to make the same without right or authority, and we have the testimony of our own witnesses to the effect that the Nielsen horn did overcome the defect which Hawthorne & Sheble failed to overcome. Under these circumstances the opinion of Mr. Hawthorne to the effect that the Nielsen horn is no better than the old B. & G. horn, becomes nothing more than a laughable farce. His

acts belie his words. In substantiation of the above facts see depositions of Scheerer (Rec. 870-83); Wackes (Rec. 903-5, 910-11); Kuenstle (Rec. 854-60).

V.

"PLAINTIFF'S SELF-SERVING ADVERTISEMENTS."

Under this head appellant's counsel refer to the advertisements inserted in the "Talking Machine World" by the Edison and other companies, and undertake to say that they are of no value as evidence against the Columbia Company. The theory is that the advertisements were made by strangers to the record and are, therefore, not binding upon the defendant. It must be remembered, however, that these advertisements were put in evidence in the suit against Pacific Phonograph Company, a person in privity with the Edison Company. Now by the stipulation under which the present case was tried, it was agreed by the appellant that all the evidence which we submitted against the Pacific Phonograph Company might likewise be submitted against the Columbia Graphaphone Company. Consequently, by their own acts they have made this evidence competent as against them.

But irrespective of this consideration, the evidence was proper as showing the opinion which Edison and other experts in the art entertained regarding this invention. Of course, Mr. Edison's opinion is not binding on the Columbia Company;

nevertheless the advertisements are competent evidence to show the existence of such opinion, and we venture the assertion that his opinion is far more valuable than that of Messrs. Hunter and Hawthorne.

VI.

"LACHES AND ESTOPPEL."

We have already argued this matter at length in our former brief. Only a word more on the subject. At pages 41-2 of their brief counsel undertake to specify the issue of laches "presented by the answer". Without stopping to examine the correctness of the specification, we repeat that no evidence was produced to prove the alleged facts. We are not concerned with what issues are "presented by the answer", but only with the question whether those issues are substantiated by proof. We most emphatically say they are not.

Where is there any evidence to show that the Columbia Company was led to believe, or was justified in believing, that Hawthorne & Sheble had a right to make those horns, and that they had a right to acquire and sell the same? Where is there any evidence to show that the Columbia Company was induced by the conduct of the United States Horn Company to use the horns or to expend or did expend large sums of money in acquiring them for the benefit of their customers, or in delivering the same? Where is there any proof

whatever to show that the Columbia Company has ever changed its position by reason of any word or act of the plaintiff? There is not a scintilla of proof on these necessary and essential points, and the case presented by this record is simply and solely one of bald and unjustifiable infringement, a wanton and reckless invasion of the rights of a patent owner.

Dated, San Francisco,
July 22, 1916.

Respectfully submitted,

JOHN H. MILLER,

Counsel for Appellee.

No. 2759

IN THE

United States Circuit Court of Appeals

FOR THE NINTH CIRCUIT

COLUMBIA GRAPHOPHONE COMPANY,
Defendant-Appellant,

vs.

SEARCHLIGHT HORN COMPANY,
Plaintiff-Appellee.

Appeal in Equity. (Patent Suit.)

ON THE NIELSEN PHONOGRAPH HORN PATENT No. 771,441

APPELLANT'S "COMMENTS" ON APPELLEE'S ANSWER TO REPLY BRIEF FOR APPELLANT.

FILED BY PERMISSION OF THE COURT

C. A. L. MASSIE,
CHAS. E. TOWNSEND,
Of Counsel for Defendant-Appellant.

Filed
AUG 22 1916
F. D. Monckton,

IN THE

United States Circuit Court of Appeals

FOR THE NINTH CIRCUIT

COLUMBIA GRAPHOPHONE COMPANY, *Defendant-Appellant,* vs. SEARCHLIGHT HORN COMPANY, *Plaintiff-Appellee.*	Appeal in Equity. (Patent Suit.)

APPELLANT'S "COMMENTS" ON APPELLEE'S ANSWER TO REPLY BRIEF FOR APPELLANT.

Following our Reply Brief, appellee has filed a so-called "Answer" dated July 22, 1916, and hereafter termed "Appellee's Answering Brief." This Answering Brief is so ingenuous and plausible, yet specious, as to be liable to mislead the Court unless explained, which we request leave to do in the following "Comments":

VILLY REISSUE IS NEW MATTER: APPELLEE'S ANSWERING BRIEF, PAGES 2-4.

In rendering its decision upon the Sherman-Clay Writ of Error, 214 Fed. Rep., 86, this Court sums

up, on the top of page 96, the Sherman-Clay contentions concerning the Villy Reissue, viz:

> (1) that plaintiff had marked its horn with the Villy Reissue (as well as with the Nielsen Patent);
>
> (2) that plaintiff thereby admitted that the Nielsen horn was constructed under the Villy Reissue (as well as under the Nielsen Patent); and
>
> (3) that the Villy Reissue was the "connecting link" [whatever that may mean] between the Villy original and the Nielsen Patent.

And this Court thereupon held that, giving full credit for all thus claimed for the Villy Reissue, "we do not see how it was material or relevant to any issue before the court" (top of page 96 of 214 Fed. Rep.).

Of course not, since this Court did not have before it the wording of the *new* claims of the Villy Reissue (*e. g.* Claim 8),—

> "This [Villy Reissue] patent is not in the record, and *we are not able to form any opinion* as to its elements" (bottom of page 95 of 214 Fed. Rep.).

Therefore, it remains true, as heretofore stated by us, that the Villy Reissue was not before the courts in the Sherman-Clay litigation, and is *new matter* not previously considered by this Court.

THE VILLY REISSUE MUST BE CONSIDERED AS OF THE ORIGINAL DATE OF SEPTEMBER 29, 1903.

Counsel for appellee declares on page 2 (italics ours):

> "While it is true that the Villy re-issue was not formally admitted in evidence in the Sherman-Clay case (because of the fact that it could in no way affect the Nielsen patent, *inasmuch as it was issued subsequent to the date of the Nielsen patent*) * * *"

In order that the Court may not be misled by the foregoing statement as to the legal effect of the Villy Reissue we would call attention to the fact that the Villy Reissue dates as a *prior publication,* (prior art) from the date of the original patent to-wit: September 29, 1903, (prior to the date of application of Nielsen) and not from the date of the Reissue.

> "Every patent so reissued—shall have the same effect and operation in law—as if the same had been originally filed in such corrected form."
>
> Rev. Stat., Section 4916.

> "A Reissue can be granted only for the same invention which forms the subject for the original since the express words of the Act are 'a new patent for the same invention.' The specification may be amended so as to make it more clear and distinct; the claim may be modified so as to make it more conformable to the

exact rights of the patentee, but the invention must be the same."

Topliff vs. Topliff, 145 U. S. 156; 36 L. Ed. 658;

Giant vs. California, 98 U. S. 126.

The broadened Claim 8 of the Villy Reisssue expresses the *intent* of the patentee and shows the *scope* and *meaning* to be accorded the patent. It shows finally and conclusively that Villy as well as the Patent Office experts did not consider the Villy patent limited to paper, but to include a horn made of metal. It shows, in short, the justification for the Searchlight Co.'s building and marketing a sectional ribbed horn of metal under the Villy patent and marking it as such.

The Reissue is for the same thing as the original; it is therefore material and revelant to the issue before the Court. *It was "not in the record" in the case heretofore before this Court;* it is therefore "New Matter."

Now, since the Villy Reissue is properly before this Court on *this* appeal, it is obvious for the first time that, by applying for and procuring the grant of said reissue, the inventorship of the subject-matter defined by reissue-claim 8 was deliberately and formally and publicly and irrevocably delivered over to *Villy* (rather than to Nielsen) by the then-owner of the Nielsen Patent.

It is equally obvious that the subject-matter defined by said Villy reissue-claim 8 has thus been

established as "prior art" by the then-owner of the Nielsen Patent.

EFFECT OF REISSUING VILLY IS BINDING UPON PLAINTIFF: APPELLEE'S ANSWERING BRIEF, PAGES 5-9.

Appellee's Answering Brief, on pages 5-6, undertakes to criticise our condensed formulation of our proposition, *e. g.,* that *plaintiff* had procured the Villy Reissue. Although that statement is not literally true, yet it is practically correct and could mislead no one,—having been fully explained on pages 70-72 of our main brief and again on pages 10-11 of our reply brief, viz: that the Villy Reissue was applied for and obtained by *the then-owner of the Nielsen Patent,* to wit: plaintiff's predecessor in title to both patents (Villy and Nielsen), the United States Horn Co., which was also identical in interest with plaintiff.

Appellee's Answering Brief seems to admit—certainly does not deny—that the *United States Horn Co.,* if still owning the Nielsen Patent, could not maintain that Patent against us in view of its action in procuring the Villy Reissue; and Appellee's Answering Brief, on pages 7-9, undertakes to contend that the deleterious effect of reissuing Villy was *wiped out* by the assignment to plaintiff! It requires no argument to demonstrate that the estoppel created against the United States Horn Co., as the then-owner of the Nielsen Patent, ap-

plies to its "privy"; and, we assert, would apply to a successor in title even though the latter were *not* [as plaintiff *was*] a privy at the time of the Villy Reissue.

Now, not only has Mr. Locke, the president of the plaintiff Searchlight Company, testified that he is "still treasurer" of the United States Horn Co. (Q. 6, page 139), and that he was "during most of the time" "a director and officer" in the United States Horn Co., and "a stockholder and director of the United States Horn Company" at the time of the assignment to plaintiff (Q. 5), but he further testified, on page 187, as follows:

> "RDQ. 119. In answer to XQ. 55 you stated, with relation to the Searchlight Horn Company and the United States Horn Company, that the 'ownership in the two companies was practically the same.' What did you mean by that?
>
> "A. I meant that the *same* ownership CONTROLLED both companies." [Emphasis ours.]

Notwithstanding this sworn statement that the same ownership "controlled" both companies, nevertheless Appellee's Answering Brief suggests, on page 9, that there were two *independent* "controls" for the respective companies. In the next place, even had plaintiff not been privy [as it *was*] to the reissuing of the Villy Patent, yet plaintiff subsequently *ratified* said reissuance, by exploiting the Villy Reissue and threatening the trade under the new Claim 8 thereof. See plaintiff's letter on pages 49-50.

Our proposition is that the action of the then-owner of the Nielsen Patent, in procuring the grant of the Villy Reissue, is not a matter of mere estoppel "in pais," but estoppel *of record.* The applying for the reissue, the argument and reasoning (whatever they were) employed in obtaining the reissue, the granting of the reissue, and the Reissue Patent itself, are all matters of public record; and they *fixed,* and fixed *irrevocably,* the status of the Nielsen Patent as thereby affected, and made that status a matter of official record available to all the public at large. The Patent Office, in granting the Villy Reissue, was acting as a representative of the entire public (including this defendant) in making a *contract* with the patentee; and the then-owner of the Nielsen Patent (and its privy), in procuring the Villy Reissue, became a party to said contract, received full consideration, and became bound (as a part of said contract) by whatever legal consequences flow from its procuring the Villy Reissue while still owning the Nielsen Patent. And this limitation *of record,* thus fixed upon the Nielsen Patent, applies to plaintiff as being not only the successor in title but also the "privy" of the United States Horn Co. at the time of said reissue.

On page 8 of Appellee's Answering Brief, *Dodge* vs. *Freedman's etc. Bank,* 93 U. S. 379 [23 Law Ed., 920], is cited—and is the *only* authority cited—as controverting our proposition. Appellee has singularly misunderstood, or misinterpreted, the nature

of that decision, which dealt with an executory promise relating to the future; whereas the facts here relied on constitute an executed and irrevocable matter of public record.

In the Dodge case, the defendant Dodge had given certain promissory notes, and had executed a mortgage on certain real estate as security for the payment thereof; the notes ultimately came into possession of the plaintiff bank, in due course of business; and Dodge refused payment, and the real estate was found to have been transferred. The bank sued in equity for relief, and Dodge contended that one Huntington [since deceased] had paid the notes. There was no proof that Huntington had ever paid the notes; but defendant attempted (p. 382 of 93 U. S.) to prove that Huntington, while holding the notes, had made a declaration to Dodge that he (Huntington) would [at some time in the future] pay the notes and extinguish them. The Supreme Court found (page 384 of 93 U. S.) that Huntington had doubtless made a verbal agreement with Dodge to buy from the latter one of the houses covered by the mortgage "and to pay these notes in satisfaction of the price"; but that "when the notes matured, he [Huntington] was not in a condition, or did not wish, to pay them." Upon that state of affairs, the Supreme Court held that Huntington's declarations to Dodge, *which were never carried out*, were utterly irrelevant; noting (see page 383 of 93 U. S.) that

> "The Freedman's Bank claimed nothing under Huntington. They insist that they are the legal holders of the notes, * * *"

To sum up and apply: If the proofs in this case showed merely that the United States Horn Co., while owning both the Villy original Patent and the Nielsen Patent, had made a mere naked statement, without consideration, that they believed Villy rather than Nielsen was the true inventor of the subject-matter of the Nielsen Patent,—then such mere naked statement (whether binding upon the United States Horn Co. or not) would not be binding upon plaintiff, under the Dodge-Freedman case *supra.* But that is *not* the situation here: the United States Horn Co., the then-owner of the Villy original and of Nielsen, took such action (resulting in the formal granting of the Villy Reissue, containing the broadened claims) as to *fix*—as a matter of public record—the status of the Nielsen Patent as affected by said Villy Reissue; and said deliberate and irrevocable action, a matter of record, binds the plaintiff, both as the privy of the United States Horn Co. and as likewise its successor in title.

PLAINTIFF'S ALLEGED MISTAKE OF LAW: APPELLEE'S ANSWERING BRIEF, PAGES 10-22.

Pages 10-19 of the Answering Brief are devoted to an attempt to befog the issue by meticulous animadversions, more notable for ingenuity than

for pertinence or sincerity. But, on page 20, appellee asserts that one should be relieved from the estoppel following his deliberate act, in case his act was due to a mistake of *law*. Appellee's proposition is clearly erroneous: where one has taken on action in ignorance of the *facts,* he may be relieved (in proper case) upon a sufficient showing of the actual facts; but "ignorance of the *law* excuses no one."

And on pages 21-22, Appellee's Answering Brief assumes that the Columbia Co. cannot invoke the doctrine of estoppel "in pais," because we cannot show that the Columbia Co.'s alleged infringements were induced by statements or conduct of the plaintiff. In the first place, the procuring of the Villy reissue, and the Villy Reissue Patent itself, are matters of public record, constituting estoppel *of record* (rather than mere estoppel in pais). And, in the second place, in procuring the Villy Reissue, the then-owner of the Nielsen Patent was entering into a *contract* with the government,—that is, with the Patent Office, as the representative of the public at large (including the Columbia Co.); and the Patent Office in granting, and the reissue-patentee in applying for and accepting, said Reissue Patent, thereby caused the public (including the Columbia Co.) to be entitled to regard the Villy Reissue as the avowed patent for the subject-matter of Claim 8 thereof. So that the public (including the Columbia Co.) *was* thereby induced to believe that the Nielsen Patent had been permanently and irrevocably set aside and was no longer a menace.

DOUBLE USE OF GERSDORFF: APPELLEE'S ANSWERING BRIEF, PAGES 23-24.

In the Sherman-Clay case the Gersdorff patents and the McVeety & Ford patents seem to have been set up as "anticipations." Certainly, this Court, referring (page 94 of 214 Fed. Rep.) to Sherman-Clay's contention that the Nielsen Patent "was void on the ground of anticipation" by reason of the prior patents for "a lamp shade * * * a ship ventilator [McVeety & Ford], * * * " etc., held that Sherman-Clay's contention that said prior patents proved that the Nielsen Patent "was *void for anticipation,*" was not made out. (Page 94 of 214 Fed. Rep.)

We do not contend that the Gersdorff patents (and the McVeety & Ford patents) "anticipate" the Nielsen Patent; but that they *antedate* Nielsen, and that Nielsen's phonograph-horn is a "double use" of the Gersdorff device; and that the Nielsen Patent is invalid on that [new] ground. In the authorities cited on pages 84-105 of our main brief, and on pages 17-20 of our reply brief, our proposition is amply sustained.

INFERIORITY OF THE NIELSEN HORN: APPELLEE'S ANSWERING BRIEF, PAGES 24-31.

Appellee's Answering Brief has misconceived the purpose and effect of our reference to plaintiff's "Searchlight Parabolic Horn" and other horns con-

temporary with "the Nielsen horn" of plaintiff and its predecessor, which we cited, first, as corroborating our defense of laches,—in showing the narrow interpretation plaintiff itself has placed on the Nielsen Patent, and plaintiff's lack of confidence in that Patent; and, second, as showing that plaintiff regarded its specific Parabolic Horn, and its other *non-Nielsen* horns as SUPERIOR to the Nielsen Horn,—thus cutting the very heart out of the only theory upon which plaintiff now seeks to sustain the Nielsen Patent (viz., Nielsen's alleged superiority over the other horns).

Pages 32-34 of Appellee's Answering Brief call for no reply. All we ask is that the learned members of this Court will themselves take the testimony of their own ears, by having one of their number play identical records alternatively with a Nielsen Horn and with a non-Nielsen horn of the prior art (many of which are in evidence), while the other two Judges listen with their backs to the instrument.

Why was the Nielsen Horn so promptly and so universally *discontinued* upon the advent of the cabineted or concealed-horn machines,—the present-day "Victrolas" and "Grafonolas"? At that period it was discontinued *completely,* except for the comparatively-few specimens supplied with *visible* horns with cheap machines for Latin-Americans and Orientals. Had the Nielsen Horn possessed any

acoustic advantage, it would have been installed in the cabineted-machines, in spite of the fact that its pleasing appearance would no longer be manifest. But the fact that the Nielsen Horn was never used in said concealed-horn machines, demonstrates that it possessed *no acoustic advantage whatever,* and its sole "advantage" lay in its pleasing appearance.

Respectfully submitted,

C. A. L. MASSIE,
CHARLES E. TOWNSEND,
Of Counsel for Defendant-Appellant.

Dated August....., 1916.

IN THE

United States Circuit Court of Appeals

FOR THE NINTH CIRCUIT.

COLUMBIA GRAPHOPHONE COMPANY, *Defendant-Appellant,* *vs.* SEARCHLIGHT HORN COMPANY, *Plaintiff-Appellee.*	APPEAL IN EQUITY No. 2759. (On Nielsen Horn Patent.)

Defendant-Appellant's Petition for Rehearing, and Brief in Support Thereof.

CHARLES E. TOWNSEND,
C. A. L. MASSIE,
Of Counsel for Petitioner.

Filed
OCT 7 - 1916
F. D. Monckton,
Clerk.

C. G. BURGOYNE, 72 to 78 Spring Street, New York.

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IN THE

UNITED STATES CIRCUIT COURT OF APPEALS

FOR THE NINTH CIRCUIT.

COLUMBIA GRAPHOPHONE COMPANY, Defendant-Appellant, vs. SEARCHLIGHT HORN COMPANY, Plaintiff-Appellee.	Appeal in Equity No. 2759. (On Nielsen Horn Patent)

Defendant-Appellant's Petition for Rehearing, and Brief in Support Thereof.

TO THE HONORABLE THE JUDGES OF THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE NINTH CIRCUIT:

And now comes the above-named defendant-appellant, Columbia Graphophone Company, by its counsel, and in view of the enormous sums of money directly involved as well as the grave and wide-spread consequences that will result from the decision of this Court, and on account of the reasons set forth below, respectfully petitions your Honors for a Rehearing of its appeal from the Decree of the lower Court.

Your petitioner shows that the above-named plaintiff-appellee, Searchlight Horn Company, hereinafter

called " plaintiff," asserts that your petitioner has sold over One Million of the " flower horns " complained of as infringements of the Nielsen Patent in suit (which horns were delivered to your petitioner by the American Graphophone Company, a corporation for which your petitioner is Sales Agent) ; that plaintiff is claiming nearly Three Million Dollars as alleged " profits " realized from the sale of said horns ; that plaintiff is likewise claiming Half a Million Dollars as " damages " on account of said sales, and is seeking to have said amount tripled ; that plaintiff has instituted a suit in the District Court of the United States for the District of Connecticut, against said American Graphophone Company, and is there claiming the same enormous amount (nearly Five Million Dollars) as damages and profits by reason of the sales of the same flower horns here complained of ; that plaintiff has instituted two other suits in the United States District Court for the District of New Jersey, against the Victor Talking Machine Company, and against the Thomas A. Edison, Incorporated, respectively, for alleged infringement of the same Nielsen Patent here in suit ; and that plaintiff is claiming, as profits and damages from each of the two last-named concerns, similar enormous amounts, on account of their sales of similar flower horns ; and that on page 137 of plaintiff's main brief in this Court, plaintiff has estimated the number of such flower horns sold by your petitioner as " over a million," while on page 58 of said brief the plaintiff estimates the total of such flower horns sold by the three concerns (Edison, Victor and

Columbia) as "*three* million," and the "profits" of said "infringements" as FIFTEEN MILLION DOLLARS. For these reasons the decision of this Court upon the validity and infringement of the Nielsen Patent, is of enormous and far-reaching importance; and your petitioner is justified in seeking, and this Court in granting, the rehearing hereby prayed for.

The Transcript of Record in this cause, presented in four volumes, comprises (with exhibits) nearly twelve hundred printed pages. And your petitioner respectfully shows that, doubtless due to the voluminousness of the record, this Court has unwittingly erred in the respects briefly summarized as follows, viz.:

I. In overlooking the fact that the learned District Judge did *not* consciously and directly pass upon the new evidence in this case which shows that the patented Nielsen horn possesses no "utility" (that is no acoustic advantage) over other phonograph horns of the same dimensions, but confined himself to passing upon the so-called "Pittsburg Defense" of prior use, which is not in this case; and in overlooking the simplest and most direct and permanently-available evidence—the best evidence—of that fundamental fact; and, while holding that your petitioner's contention in that regard "may be *true*," in abdicating and renouncing this Court's own appellate jurisdiction to decide that question, by leaving undisturbed the decision of the lower Court on that question—one of the formal assignments of error—on the stated ground that the opinion-testimony of the opposing "experts" is *conflicting*.

II. In overlooking the Gersdorff 1893 patent; in overlooking the fact that the patented Nielsen horn, like the device of the two Gersdorff patents, is composed of two portions, a body-portion and a nozzle, whereof the body-portion only of Nielsen (as of Gersdorff) is constructed of gore-sections united by interlocked flanges, while Nielsen's nozzle-portion is *not* so constructed and *not* so united; and in otherwise overlooking the full disclosures of the two Gersdorff patents in comparison with the full disclosure of the Nielsen Patent.

III. In confining the Court's discussion of Villy, to the question whether plaintiff is estopped to deny the legal effect of the reissue of the Villy patent; and in not determining, as a fundamental fact, that Villy's priority of invention and the reissue of the Villy patent (by plaintiff's predecessor) invalidated the Nielsen patent (regardless of whether plaintiff is "estopped" to deny it).

IV. In overlooking the evidence which establishes the fact that plaintiff and its predecessor in title *were* financially able to bring suit; in overlooking the evidence which establishes the fact that their laches had become notorious in the trade before defendant commenced the acts complained of; and in not holding that plaintiff's years of delay before bringing suit, concurrent with years of continued "infringement" by your petitioner and many others, to the full knowledge of plaintiff, constitutes such LACHES (whether amounting to technical "estoppel" or not) as to bar plaintiff from *any accounting*, even should injunction be awarded.

V. In overlooking the fact that the principle of estoppel in favor of the *public* as against a *patent*, with respect to a judgment *of record* brought about *at the instance of the patentee*, is not governed by the same technical rule that controls matters of private estoppel between individuals with respect to a private transaction between themselves (with respect to which *private* transaction only must a defendant show he has been misled by the actions of the other party).

WHEREFORE your petitioner respectfully prays for a rehearing of this cause; that its accompanying Brief be accepted and filed as part of this Petition; and that this Honorable Court will either reconsider the Opinion rendered herein on Sept. 5, 1916, and reverse the decree of the Court below, or will set a day for further argument, oral or otherwise, if the same be deemed necessary.

And your petitioner will ever pray.

COLUMBIA GRAPHOPHONE COMPANY,

By C. A. L. MASSIE,

Of Counsel.

STATE OF NEW YORK, }
County of New York, } ss.:

C. A. L. MASSIE, being duly sworn, deposes and says: I am and have been of counsel for defendant-appellant throughout this litigation, and believe myself familiar with the proceedings herein. I have read the foregoing Petition for Rehearing and know the contents thereof, and I believe the same to be true in point of fact; and have executed the same on behalf of defendant-appellant, by instructions of its management.

Further, I certify that in my judgment said Petition is well-founded in law, and proper to be filed herein, and is not interposed for the sake of delay.

[Signed] C. A. L. MASSIE.

Subscribed and sworn to before me this 29th day of September, 1916.

[Notarial Seal] WILLARD H. HARTING,
Notary Public, No. 55, Bronx County, N. Y.
Certificate filed in New York County No. 305.

BRIEF IN SUPPORT OF PETITION.

For the convenience of the Court we print, as Appendix A, the Opinion of this Court filed herein September 5, 1916.

We likewise print, as Appendix B, Judge VAN FLEET'S oral Opinion in the *Pacific Phonograph Co.* suit, rendered November 29, 1915. The transcript of said Opinion, as we received it, consists of one continuous paragraph; but, for purposes of distinction, we have taken the liberty of printing the last seven sentences in two separate paragraphs.

The very last paragraph of Judge VAN FLEET'S said Opinion (page XV), constitutes his sole Opinion in this Columbia case, upon which was entered the Decree we seek to reverse.

The very first sentence of Judge VAN FLEET'S oral Opinion (page XI), taken in connection with the remainder of said Opinion, shows that his Honor devoted his consideration exclusively to the so-called "Pittsburg Defense" (of prior use) relied on by the Pacific Phonograph Co., which defense is not in *this* case, and paid no attention to any of the defenses *we* here rely on; and that, as a matter of fact, his Honor had not consciously passed upon the issue we regard as fundamental and vital in *this* case, viz., that the patented Nielson horn presents no acoustical advantages whatever over the well-known ordinary horns of the same dimensions.

Evidence of non-utility was presented for the first time in said Pacific case; but the second paragraph of Judge VAN FLEET'S Opinion in the Pacific Co. case (page

XIV) seems to indicate his intention to leave every defense (except the "Pittsburg Defense") at large for this Court.

The several grounds for rehearing will now be taken up in order.

I. No "Utility."

A simple test—merely the playing of a graphophone-record upon a machine equipped with a patented *Nielsen* horn, and the playing of the same or a similar record upon the same or a similar machine equipped with any *ordinary* horn of approximately the same dimensions, while listening attentively to each performance—will demonstrate the fundamental and determinative fact that the Nielsen horn possesses *no* acoustical advantage over the other horn.

The only fair way to make these tests is to conceal the horns under comparison—listening from another room or by turning the back to them while being played, the usual way of testing horns—so that the judgment of the listeners cannot be swayed by their knowing beforehand which horn is being played (Rec., pp. 572–3, 707), *e. g.* (p. 475):

> "If an individual was allowed to use his eyes and his ears, he would or they would almost invariably see some improvement or perfection in the reproduction from a horn of a type for which they had a liking. Once turn their back to the machine, it was amusing to see the varieties of opinion when the eye did not assist in the decision."

Nielsen has set forth merely an old and well-known manner of constructing an old and well-known article, which produces merely the old and well-known results —absolutely no new results at all.

From what has been stated at the outset of this brief, we submit that his Honor Judge VAN FLEET has not made an actual deliberate adjudication, upon the exhibits and proofs in *this* case, that the Nielsen horn *does* possess the alleged advantages claimed for it; and that the recitals in the decree here appealed from are merely the usual *pro forma* recitals formulated by counsel for a successful plaintiff. Hence, said recitals are not to be considered as actual "findings of fact," since they have not been deliberately and consciously made by the learned District Judge upon careful consideration of the exhibits and evidence.

Nevertheless, this Court, instead of arriving at its own personal and independent determination upon this vital and fundamental question, first observed (page VII, italics ours) that there is "much *testimony*" to sustain this defense, and "also much *testimony*" to the contrary—and then stated (page VII, italics ours):

> "it may be *true*, as the appellant contends, that the marked success and general use of the Nielsen horn is owing to its *graceful* shape and *appearance* rather than to any acoustical advantage which it possesses . . .";

and further, after thus noting that *our* contention upon that vital issue may be "true", this Court nevertheless *renounced* its jurisdiction to decide the truth, by declin-

ing to disturb the finding (?) of the Court below merely because there is conflicting testimony of "experts". We submit there has been error in this regard for three reasons, viz:

1. The assertion that the Nielsen horn possesses the alleged advantages, states a *fact* rather than an opinion. It is a continuing and now-existing fact (if it *be* a fact), whose existence or non-existence can best be determined by actual inspection at the present time, viz: a few minutes' inspection and listening by the learned Judges themselves. We say, "It is a continuing and now-existing fact (if it be a fact)", to distinguish from such transient events and circumstances as attend a collision or other accident resulting in a suit for damages, where the supposed "facts" were of evanescent and fleeting nature and have passed into history, and no longer exist except in the memory of the witnesses. In cases of the latter kind, the testimony of *witnesses* is the *only* proof available, and, therefore, the "best evidence". Whereas, concerning the properties of the Nielsen horn, *actual inspection by the Court is the primary evidence*,— the "best" evidence. The testimony of alleged "experts" is mere "opinion evidence"; and it is indeed "secondary evidence", so to speak, and *not* the best evidence. Moreover,—

> "The Court is not bound by the opinions of experts in patent cases, and may reject them where they do not seem reasonable."
>
> 30 "CYC", p. 935.
>
> Norton vs. Jensen (9th CCA), 49 Fed., 859.
>
> Hanifen vs. Godshalk (3rd CCA), 84 Fed., 649, 653.

We submit, therefore, that upon a fundamental question like this, the Court should itself devote a few minutes of its time to ascertaining the truth, instead of leaving the matter to the conflicting testimony of "experts," or leaving the decision of the lower Court 'undisturbed' because the testimony is not all one way. See Norton vs Jensen 49 Fed. at p. 6

2. In an action at law before a jury, the *jury* is the judge of the *facts;* and a *finding of fact* (by the jury) will not be set aside as inconsistent with the weight of the evidence, so long as there is any competent evidence to support it (and regardless of the quality and amount of the evidence to the contrary). Likewise, upon writ of error, a court of review is similarly limited, and can pass only upon the questions of *law.* But that restriction does not apply here, because:

(*a*) This is an *appeal* from a suit *in equity*, where the trial *judge* in the first instance, and the *appellate judges* on appeal, are called upon to pass upon the *facts* as well as the law; and

(*b*) The rule against a court of review, disturbing a finding of fact in the lower court, is based largely upon the circumstance that the trial court (whether jury or judge) had the opportunity *to see and observe the witnesses* while on the stand, and thereby judge of their credibility. In the present case, however, *no* testimony was taken in open court, but all the proofs were by way of *deposition* or *stipulation;* and

(*c*) We submit that the District Judge did not in fact and consciously make any finding of fact in that regard.

3. Finally, should this Court deem it necessary to resort to "evidence" other than the actual inherent condition of the Nielsen horn itself ("*res ipsa loquitur*"), there *is* 'evidence that points convincingly' to the non-utility of the Nielsen invention, viz., the significant fact (Rec., p. 145) that, whereas the sectional flower-horn was used to a very great extent so long as it was *visible*, yet when the *concealed-horn* machines or "cabineted-machines"—the Victrolas, Grafonolas, etc.—came into vogue, such sectional flower-horns were altogether *dispensed with*, and the talking-machine business increased at an even greater rate than previously (See Rec., pp. 199, 200, 202–3).

This demonstrates convincingly that (to use the phraseology of this Court on p. VII):

> "the marked success and general use of the Nielsen horn *was* owing to its graceful and artistic *appearance*, rather than to any acoustical advantage,"—

otherwise the talking-machine companies would have continued to employ the sectional horn, made up of longitudinal gore-sections united by external stiffening-ribs, in order to avail themselves of its acoustical "advantages," had that construction possessed such advantages.

Another significant fact in showing that the Neilsen horn lacks any acoustic advantage is that plaintiff, though owning the patent for the Nielsen horns, made only "a few" of them—"more samples than anything

else" (Rec., p. 178, bottom of p. 170), while at the same time plaintiff was making and selling some 40,000 of its *parabolic* "Searchlight" horns (Rec., pp. 170, 171, 187), and regarded them as *superior* to its Nielsen horns (Rec., pp. 185–6); and previously the U. S. Horn Co., while owning the Nielsen patent, had made only 3,000 or 4,000, and could sell only a portion of them in competition with other horns (Rec., p. 178), including the parabolic "Searchlight" horns plaintiff was "pushing" (Rec., p. 178) before it acquired the Nielsen patent. Apparently, what "killed" the Nielsen flower horn was the acoustic superiority of plaintiff's own parabolic "Searchlight Horn" (as well as the other competing horns).

In 1905, Senne who had put out about two thousand metal flower-horns in competition with Neilsen and about 15,000 or 16,000 *paper* horns, submitted to a default decree; and when the patent-owners offered him a license at three cents a horn, he did not think it worth while to pay even that small amount and declined the license (Rec., pp. 470, 467, 469, 476–7).

To rehearse: a vital issue—viz., whether or not the Nielsen horn has new acoustical properties, was at bar; there was much testimony upon each side of that issue (this Court observing that *our* contention on that issue "may be *true*"); the Decree of the Court below had decided that issue against us; and its decision on that issue forms one

of the basic errors assigned on our appeal (*e. g.*, assignments 6 and 20,—Rec., pp. 928–9, 931). But the Opinion of this Court now holds that, because there is 'conflicting testimony' upon that issue (concerning which your Honors have said that *our* contention "may be true"), therefore this Court should abdicate and renounce its own jurisdiction by leaving the decision [formal decree] of the lower Court undisturbed.

Manifestly this is error, as it deprives us of our inalienable right to a decision *by the Appellate Judges*,—a decision upon a question of fact directly brought up by our assignments of error,—and a fundamental fact, the truth or falsity of which can be determined as readily by the Judges of *this* Court as the Court below,—and the truth or falsity of which should be determined by the *best* evidence available, viz.: actual inspection and observation of the playing-qualities of the Nielsen horn in comparison with other horns of similar dimensions.

II. Gersdorff.

In disposing of Gersdorff, this Court overlooked four material facts:

1. We rely on *two* Gersdorff patents; but the Court considered only the 1891 patent (No. 453,978), and overlooked No. 491,421, which was applied for over two years earlier (Rec., pp. 998–9).

2. Consequently, the Court overlooked Gersdorff's "purpose", set forth in his earlier specification, viz., to *stiffen and strengthen* his device, just what Nielsen

afterwards sought, and by the same means Nielsen used,—Gersdorff saying his device is

> " strengthened by its curved form and by said [longitudinal] seam " (Gersdorff 1893 pat., lines 30-35, 46-8,—Rec., p. 999).

' Ease of cleaning ', which this Court assumed as Gersdorff's " purpose " is merely an incidental *result* of the structure itself.

3. This Court differentiated Nielson from Gersdorff, on the ground that Gersdorff's nozzel is not " ribbed ". *Neither is Nielsen's nozzle " ribbed"* (or even sectional),—it being shown as an ordinary tapered nozzle, and described as " constructed in *any* desired manner " (Nielsen pat., lines 33, 35, 38-40,—Rec., p. 1098).

4. The two structures being the same, it is immaterial that Gersdorff does not in so many words point out any " accoustical advantage " due to his curved and sectional and ribbed structure,—what this Court terms the " central thought of Nielsen." If the accoustical advantage be present in Nielsen, it *must* have been present in the identical Gersdorff structure ; if *not* present in Gersdorff, it is *not present in Nielsen.* The two devices are the same. And Nielsen cannot obtain a valid patent on an old structure by merely pointing out a previously-undisclosed property inherent in that old structure.

> Stow vs. Chicago, 20 Law. Ed., 816, 817; 104 U. S., 547, 550.
>
> Miller vs. Eagle, 38 Law. Ed., 121 ; 151 U. S., 186.
>
> And other citations on page 94 of our main brief.

III. Villy.

We rely on Villy's prior invention as well as the mere Villy Reissue and the circumstances attending the reissuing of the Villy Patent, as invalidating the Nielsen Patent. And, as a *corollary*, we add that plaintiff was in privity with the United States Horn Co. (which procured the Reissue), and is the successor in title to said United States Horn Co., and therefore plaintiff is *estopped* to deny our proposition. The Opinion of this Court considers and overrules our subordinate contention as to *estoppel*,—but does not treat our main proposition. We shall attempt to show later that this Court overlooked certain material distinctions in regard to this " estoppel," and has therefore erred in its conclusions. But passing that by for the moment, we here repeat our main contention in three propositions, viz. :

1. The subject-matter defined by Nielsen's Claims does not differ patentably from Villy's invention.
2. Villy's invention antedates the Nielsen patent.
3. Therefore Nielsen's Claims are invalid.

1. What is the Villy Invention ?

(*a*) The *contrast* between two Claims (or groups of Claims) in the same patent, must be given significance. Therefore, inasmuch as every Claim of Villy's original patent (Rec., p. 1030) was limited to a *foldable* or " collapsible " horn, while said limitation is omitted from new Claim 8 (and other new Claims), therefore

said Claim 8 covers (*prima facie*, at least) *rigid* or non-collapsible horns as well as collapsible horns, provided the horns embody the explicit recitals of the Claim.

(*b*) Villy's specification names, as the material, "paper, wood, linen, or *other* preferably flexible material"; and we contend that, inasmuch as sheet-metal had long been the *usual* material for phonograph-horns, and is a *flexible* material, therefore "sheet-metal" is not to be *excluded* from the class "other preferably flexible material." But, be that as it may, the Reissue Claim 8 does not specify the particular kind of material; therefore *prima facie* it covers a horn composed of *any* material so long as said horn satisfies the explicit recitals of the Claim.

(*c*) In lines 64–67 of the second column of the first page of Villy's original specification, Villy said (emphasis and parentheses ours; Rec., p. 1029):

> "The *angles* formed by the meeting of the hinged segments when extended form (as it were) **ribs** giving *rigidity* to the trumpet form."

This same statement is repeated in the Reissue Patent (Rec., p. 1038, in lines 64–67). Therefore, in considering Villy's Reissue Claim 8, where it uses the word "angles", it is altogether proper to substitute the word "ribs"; and to apply the Claim as covering a *rigid* horn of *metal*. To hold otherwise would deny any effect to the fact of reissue.

To show the correspondence between the subject-matter of Villy's Reissue Claim 8 and that of the Nielsen Claims in suit, we shall now set forth the Villy

Claim 8, numbering and paragraphing the several recitals thereof; and we shall then rearrange said recitals and place them in parallel relation with the corresponding recitals of Nielsen's Claims 3 and 2 respectively, retaining the same ordinals, so that the Court can see that we have merely changed the sequence of Villy's recitals without changing the meaning of the Villy Claim.

Villy's Reissue Claim 8, Arranged Normally.

1. A phonograph-horn or the like—
2. comprising a number of flexed strips having curved meeting edges—
3. and means joining said edges—
4. said strips being so flexed and said edges so curved and joined that
5. the horn is given a trumpet-like or bell-like form—
6. the strips forming " ribs " [angles] where said edges meet.

Villy's Reissue Claim 8.	Nielsen's Claim 3.
1. A phonograph-horn or the like—	A horn for phonographs and similar instruments—
5. the horn is given a trumpet-like or bell-like form—	said horn being larger at one end than at the other and tapered in the usual manner—
[*i. e.*, larger at one end than at the other and tapered in the usual manner]	
2. [said horn] comprising a number of flexed strips having curved meeting edges—	said horn being composed of longitudinally-arranged strips—
[said strips being shown and described as extending longitudinally]	
3. and means joining said edges—	[said strips being] secured together at their edges—
6. the strips forming "ribs" where said edges meet [thus "giving rigidity to the trumpet-form"]—	and the outer side thereof at the points where said strips are secured together being provided with longitudinal ribs.
4. said strips being so flexed and said edges so curved and joined that [see No. 5].	

Villy's Reissue Claim 8.	Nielsen's Claim 2.
1. A phonograph-horn or the like—	A horn for phonographs and similar machines—
2. comprising a number of flexed strips [of *any* suitable material, thus including sheet-metal] having curved meeting edges—	the body portion of which is composed of longitudinally arranged strips of metal—
3. and means joining said edges,	[said strips being] provided at their edges with longitudinal outwardly-directed flanges whereby said strips are connected and whereby the body-portion of the horn is provided on the outside thereof with longitudinally-arranged ribs—
6. the strips forming "ribs" where said edges meet—	
4. said strips being so flexed and said edges so curved and joined that	
5. the horn is given a trumpet-like or bell-like form.	said strips being tapered from one end of said horn to the other.

Referring to the foregoing comparative analysis of the Claims, it will be observed that all three Claims define (*a*) the *shape* of the horn,—trumpet-like or bell-like, or tapering in the usual manner; (*b*) the *structure* thereof,—made of "strips," shown as longitudinally-arranged gore-sections; and (*c*) the manner said strips are *secured together*, viz.: by "means" so arranged as to produce "**ribs**" where the sections meet.

It will thus be seen that the Claims *coincide*. In *subject-matter* Nielsen's two Claims are identical with Villy's Reissue Claim 8; even in *phraseology* Niel-

sen's Claim 3 is practically identical with the Villy Claim (Nielsen's Claim 3 specifying neither that "metal" is the material used, nor that the "ribs" are formed of "flanges"); and Nielsen's Claim 2 is substantially identical in phraseology with the Villy Claim, differing therefrom solely in the two unpatentable respects, viz.: that Claim 2 specifies in so many words the usual phonograph-horn material ("metal"), while Villy's Claim is satisfied by *any* material; and that Claim 2 mentions the "flanges" as being the specific devices for constituting the "ribs" and uniting the sections, while Villy calls broadly for the stiffening "ribs" ["angles"] as part of his joining-means.

It is clear, that *if* Villy's invention of the subject-matter of his Reissue Claim 8 antedates Nielsen's invention of the subject-matter of his two Claims, then certainly Nielsen's Claims are not patentable; because it is unthinkable that each man could be the *prior* inventor of the common subject-matter. If Villy be the prior inventor, then Nielsen's Claims are invalid; and if Nielsen be the prior inventor, then Villy's Reissue Claim is invalid. But that controversy is no longer open; the owner of both patents (the Villy original and the Nielsen) procured from the Patent Office a formal judgment that *Villy* is the first and original and sole inventor of the subject-matter of his Reissue Claim 8. Said judgment, rendered upon the deliberate and formal application of the owner of both patents, is tantamount to an *inter partes* judgment entered upon a formal "interference" between the two rival inventors; and the owner of both, who procured the rendition of

said judgment, and thereby received and retained the benefit of the broadened Villy Reissue, is absolutely estopped from escaping the legal consequences of said judgment.

2. The Date of Villy's Invention.

Section 4916 of the Revised Statutes says :

> " * * * Every patent so reissued, together with the corrected specifications, shall have the same effect and operation in law, on the trial of *all* actions for causes thereafter arising, as if the same had been originally filed in such corrected form ; but no new matter shall be introduced into the specification, * * *."

Further it is the legal presumption that every patent is *prima facie* valid ; and, in case of a reissue, that all the requirements of the reissue statute have been fully and correctly complied with. And the lawfulness of the Villy Reissue is not here in issue, and cannot be challenged on this appeal. Therefore we have the following legal presumptions :

(*a*) That Villy's invention was not adequately described by the Claims of his "original patent" of 1903 ;

(*b*) That his Reissue patent was lawfully reissued, and its Claims *do* correctly define Villy's "real invention" ;

(*c*) That no new matter has been introduced into the Reissue ; and

(*d*) That the invention defined by the *Reissue* Claims—Claim 8, for instance—is *fully disclosed in and by his original patent of 1903.*

In short, it is the legal presumption that Villy's Reissue Claim 8 correctly defines the Villy invention disclosed in and by the Villy *original* patent No. 739,-954, granted Sept. 29, 1903—and therefore *antedating* Nielsen's invention.

Had the Villy Reissue been granted without the knowledge of the owner of the Nielsen Patent, it might well be contended that such *ex-parte* action could not militate against Nielsen's claim of priority. But the fact that the owner of the two patents (the Villy original and the Nielsen), having *both* patents in his hands, deliberately elected to procure a Patent Office *judgment* declaring Villy the original and true inventor of the subject-matter of Villy's Reissue Claim 8, is tantamount to a formal " interference " resulting in a formal award of priority to Villy over Nielsen.

In other words, at the instigation of the plaintiff's predecessor, who at the same time was the owner of the Nielsen Patent, the Patent Office entered a judgment of record that the Villy Reissue Patent with its Claim 8 is to be regarded as though issued **Sept. 29, 1903,—thus antedating Nielsen.**

The U. S. Horn Co. could not accept and retain all the *benefits* of that judgment, procured at its own instance, and yet escape the *legal effect* said judgment has produced upon its Nielsen patent. The U. S. Horn Co. could not at the same time both accept the good and reject the bad results of the judgment it procured in favor of Villy. And that judgment is not merely an *ex-parte* matter for the benefit of the U. S. Horn Co. alone,—and not merely a private judgment as between

Villy's and Nielsen's priority; but the *public* was concerned and interested. The Patent Office, in acting upon every application for a patent, and in allowing a patent (which is a matter of *public record*), is acting as the *representative* of the public and in behalf of the public. The U. S. Horn Co. is forever estopped, as against any and every member of the public, from denying or disturbing the legal effect of that judgment. See 16 "CYC," 679, 784–5.

And that same estoppel *by matter of record* applies against the plaintiff herein, because *in privity* with the U. S. Horn Co. as well as its *successor in title*. Krabbe owned the Nielsen patent in its entirety; in February, 1905, he sold a half-interest to Locke, and the two assigned it to the U. S. Horn Co., which they had formed, and of which Locke became and still remains Treasurer, while Krabbe retained a half-interest; then, early in 1906, Locke formed the Searchlight Co., and in January, 1907, Krabbe and Locke had the patent assigned to that concern; and Krabbe did not sell out to Locke until after the Searchlight Co. had been formed. Meanwhile "the ownership in the two companies was practically the same," and "the same ownership controlled both companies"; and in November, 1906, *before* the Searchlight Co. had acquired the Villy and Nielsen patents, we find *it* (rather than the U. S. Horn Co.) sending forth the notice (Rec., p. 49) regarding said Villy Reissue and the Nielsen patent, thus avowing its privity with the then owner of those patents (Rec., pp. 49, 98, 99, 138–9, 142–3, 169–70, 187).

Consequently, when the Searchlight Co. took title

to those two patents in January, 1907, it took them subject to the legal status already effectuated in favor of the public, as between those two patents, by the formal Patent Office judgment of record. [That the case relied on by plaintiff-appellee, *Dodge v. Freedman's Bank*, 93 U. S., 379, does not apply,—see pages 8–9 of our brief of Aug. 22, 1916, Appellant's "Comments" on Appellee's Answer to Reply Brief.]

IV. Laches; V. Estoppel.

Regarding Laches, this Court undertakes (p. IX) to summarize our contention as being:

> "whether the delay in bringing the suit amounts to laches which should bar the appellee";

and concludes by holding (p. X):

> "The bare fact that the appellant, and others, with full knowledge of the appellee's claim, trespassed with impunity on the rights of the appellee for years, is no defense to a suit for an injunction and an accounting for the trespasses."

In so holding, this Court overlooked the pertinent testimony we set forth below, and has therefore reached an erroneous conclusion. At this point we are considering especially the *accounting*. We contend that, even should the patent be held valid and infringed, and an injunction awarded, nevertheless plaintiff's laches certainly bars an *accounting*.

The material facts, under four headings, are as follows:

A.

It is stipulated (Rec., p. 75) that defendant within the six years before suit was filed—viz., after July 24, **1907**—was selling the horns complained of; but plaintiff's witness Locke says defendant commenced "in **1906**" (p. 171). There being no other proof as to the date, we accept 1906–7 as the correct date.

B.

What was the situation when this defendant commenced to handle the infringing horns in 1906–7?

Plaintiff's witness Merritt says that he saw Nielsen's "flower horns" as early as November, **1903** (Rec., bottom p. 112); that he and his employer Bettini were handling Nielsen's product by March, **1904** (Rec., pp. 115, 121, 127); that "*almost immediately* various horn-manufacturers" commenced to infringe and "by the latter part of 1904 or early part of **1905** practically *every horn manufacturer*, in the East at any rate, was making this type of horn",—naming Hawthorne & Sheble, The Tea Tray Co. and The Standard Metal Mfg. Co. (Rec., pp. 121, 122, 123).

Plaintiff's witness Petit says that "some time in **1904** the Nielsen horn appeared on the market in considerable quantities", and towards the end of that year or early in **1905** "practically everybody" was infringing (Rec., p. 159); that shortly after the Nielsen horn went

on the market, said Hawthorne & Sheble, Tea Tray Co., and Standard Metal Mfg. Co., and a *number* of other concerns, commenced to manufacture the infringing horns (Rec., p. 160); and that towards the end of **1904** or early in **1905** said Hawthorne & Sheble were making them in *large* quantities, and "thereafter" made the same their *regular product*, and still "later" made them for the Columbia Co. (Rec., p. 164).

Plaintiff's President Locke says that a few months after Nielsen put his horn on the market, and by the Summer of **1904,** the horn-manufacturers had commenced their infringement (Rec., pp. 144, 145, 188); and that after the U. S. Horn Co. acquired the Nielsen Patent [Feb., **1905**], they marked their horn with the proper patent-notice, and sent notification to the various horn-manufacturers; and that "*early* in 1906" he personally called upon the various horn-manufacturers and the various talking-machine companies (Rec., pp. 147, 148); but that (italics ours):

> "Each one stated that *too many concerns* were making these flower horns to warrant it being the first to acknowledge the patent and cease infringement. The *invariable* response was that if we would stop the infringement by the other, the particular one I was talking to would stop. In effect they declined to pay any attention to us until we had fought the case out in the courts" (Rec., p. 149).

Plaintiff's witness Krabbe says that when he purchased the Nielsen patent and assigned it to the U. S. Horn Co., which was in February, **1905** (Rec., pp. 669,

972, 974), various horn-manufacturers were even then infringing; and that he and the Horn Co. thereupon notified said manufacturers; but, says Krabbe (Rec., top of p. 104, pp. 103–4, emphasis and interpolation ours):

> "*So many* concerns were making the infringing horns that they *all* said [to Krabbe in 1905, as they subsequently said to Locke "early in 1906"] we would have to go to the Courts before any particular one would stop making the horn."

C.

All the foregoing had occurred *before* the defendant Columbia Co. commenced, in 1906–7, to handle the flower horns, at which period the American Graphophone Co. began to buy them for it, from the same Hawthorne & Sheble Co. and Tea Tray Co. already mentioned.

The patent-owners had known for years that practically every horn-manufacturer was "infringing"; and each horn-manufacturer *knew* all the time that they were all "infringing," and that the patent-owners were *fully aware* of that fact; and the "invariable response" of each was that if the patent-owners would stop the *other* "infringers" *he* would stop,–that he could not be the first to acknowledge the patent while others were *permitted to ignore it.* In short, there had been and continued to be *innumerable* "infringers," each was relying on the continuing *inaction* of the patent-owners, and was admittedly *encouraged* to continue his "infringement" because the patent-owners took no steps against any of

them. The patent-owners were *invited* to bring a test suit, but failed to follow up their threats with any action whatever. Such continuing and notorious inactivity—*quiescence*—amounted to ACQUIESCENCE.

After said wide-spread and notorious "infringements" had continued during most of the year 1904, and during all of the year 1905, and into the year 1906, and possibly through 1906 and into the year 1907, the Columbia Company would certainly be justified in beginning (through the American Co.) to receive from Hawthorne & Sheble and the Tea Tray Co. aforesaid, the product those concerns had already been so long putting out with impunity.

Plaintiff's own witnesses have thus afforded, by uncontradicted testimony, the proof which this Court has said was *lacking*, viz.: proof that the Columbia Company, the defendant herein, *had* every reason to rely upon plaintiff's inactivity, and *was* misled thereby, and *was* encouraged in the belief that "the patent was invalid or was one which the plaintiff did not intend to enforce" (the language of Judge COXE, in *Westinghouse vs. New York*, 111 Fed., 741),—or that "the alleged rights were worthless or had been abandoned" (the language of the Court of Appeals for the Second Circuit, in *Richmond vs. Osborn*, 93 Fed., 828). And it was only at that comparatively-late period—"in 1906," according to Locke, *after July, 1907*, according to the Stipulation—that this defendant first began to handle the flower horns then being put out by Hawthorne & Sheble and the Tea Tray Co. aforesaid, and being freely dealt in by all the trade.

The defendant, having commenced its "infringement" in 1906 or 1907, under the justifiable circumstances set forth, continued the same *without any interference or protest for a period of six or seven years*,—until this suit was brought on July 24, 1913. Even to this day plaintiff does not appear ever to have brought suit against the *manufacturers* of the defendant's horns.

The universally recognized and admitted state of affairs existing in 1906–7 (when defendant entered the flower-horn business),—a state of affairs brought about by the long-continued inactivity of the patent owners,—is what "misled" defendant and all subsequent "infringers" and induced them to begin their "infringement"; and is the "estoppel" we rely on. And that, and plaintiff's long delay since 1906–7, constitutes the "laches" we rely on.

D.

Messrs. Locke and Krabbe attempt to excuse plaintiff's inactivity during all those years, by *saying* that plaintiff was financially unable to bring suit during that period. That statement, however, is more or less of an opinion or *conclusion* of the witnesses[@]; and there are very significant *facts* which controvert its truth, viz.:

(*a*) The U. S. Horn Co. and the Searchlight Co. *being owned and controlled by the same interests*, and the patent having been soon assigned to the latter, the two companies together received large returns from their large quantity of horns of *various* types, besides the

[@] See:
Hayward vs Eliot Natl Bank 96 U.S. 611 at 618
Leavitt vs Stand. Oil Co 147 U.S. 287 at 294

"considerable sum" put into the business by Locke (Rec., p. 104). The U. S. Horn Co. put out "several thousand"—"some 3,000 or 4,000"—*flower-horns;* the Searchlight Co. put out 30,000 or 40,000 "Searchlight Horns" (*rigid* "parabolic" structures having their sections *soldered* together, without any ribs), besides "Knock-down" parabolic horns (having their sections united by *screws*), and also *folding* horns,—all in addition to whatever "flower-horns" (if any) the Searchlight Co. may have put out. Certainly a total of 40,000 to 50,000 horns (Rec., pp. 146, 149, 170, 171, 178, 187, 188, 189).

If plaintiff's average profits per horn, on those thousands of horns, amounted to anything like the profits per horn they now claim against the "infringers," there were *ample* funds to bring a test suit during that early period,—to say nothing of the "considerable sum" put in by Locke. Krabbe says his U. S. Horn Co. sold the flower-horns at about the same price as its competitors (Rec., p. 196); Senne says he sold his competing flower-horns at $2.00 *wholesale* (Rec. pp. 476-7), which would represent at least $3.00 or $4.00 at retail; and Krabbe says Nielsen had been selling his flower-horns at "$2.50 or $3.50" (Rec., p. 86). Calling it $2.00, then the 40,000 or 50,000 horns would bring in $80,000 to $100,000.

(*b*) And early in that same period, the U. S. Horn Co. *was* able to bring a suit against one Senne, and in 1905 obtained a default decree awarding injunction (Rec., pp. 466-7),—being thus put in good position to proceed against other "infringers." Yet, strange to

say, that decree was not brought to the attention of the present defendant or the other "infringers." Was it in order not to frighten them off from accumulating "profits" for subsequent acquisition by plaintiff? Senne says in 1905 Krabbe showed him a large quantity of Krabbe's horns which were rusting to pieces, and told Senne he was not going to put them on the market and was not in business to make horns, but to get royalty from the people who were making horns (Rec., pp. 479–80).

We submit that the *proved facts* contradict plaintiff's asserted conclusion, and show that plaintiff *was* not only able to bring suit (because the *Senne* suit was brought), but that plaintiff was amply able to bring and *maintain* a second suit. Only one real test suit would have been necessary at that period; if successful, the other "infringers" would not at that period have incurred such extensive liability as to be forced to fight,—and the Columbia Co. had not even commenced to "infringe." Certainly plaintiff's conduct, whether regarded as constituting "technical estoppel" or as amounting merely to "laches," bars plaintiff from an *accounting* for the profits earned by defendant during the years of plaintiff's acquiescence or for the alleged "damages" incurred by plaintiff during that period.

The controlling authorities are:

McLean vs. Fleming, 96 U. S., 245, 257; 24 Law Ed., 828, 833.

Menendez vs. Holt, 128 U. S., 514, 525; 32 Law Ed., 526, 529.

In the McLean-Fleming Case (96 U. S.), the Supreme Court held (italics ours) :

> " Cases frequently arise where a court of equity will refuse the prayer of the complainant for an *account* of gains and profits, on the ground of delay in asserting his rights, even when the facts proved render it proper to grant an injunction to prevent future infringement.
>
> " Relief of the kind [*i. e.*, an accounting] is constantly refused, even where the right of the party to an injunction is acknowledged because of an infringement, as in case of acquiescence or want of fraudulent intent.
>
> " Acquiescence of long standing is proved in this case, and inexcusable laches in seeking redress * * *" [Nothing being said about " estoppel "].

In that case the plaintiff sued defendant for trade-mark infringement, praying injunction and an accounting; and the lower Court granted *both*, and affirmed the Master's report awarding a substantial sum. On appeal, the Supreme Court held that plaintiff's marks were valid trade-marks, that defendant had infringed, and that the *injunction* was properly granted; yet, because defendant had been using the infringing marks for many years, to the knowledge of plaintiff, it was also held that it would be unjust to exact an *accounting;* and, in that respect the decree of the lower Court was *reversed.*

> McLean vs. Fleming, 96 U. S., 245, 257; 24 Law. Ed., 828, 833.

The Menendez-Holt Case (128 U. S., *supra*), originated before Judge Coxe in *Holt vs. Menendez*, 23 Fed.,

869. Defendant's vendor, one Ryder, had commenced the infringement of plaintiffs' trade-mark in 1869; and plaintiffs knew of this by 1871, but did not bring suit until about 1882,—some eleven years delay. Judge COXE, on p. 871, said (emphasis ours):

> "That they [the plaintiffs] did not consent is true, but it is equally true that, for men who believed their rights invaded, their course was inconsistent and misleading. Ryder might well have imagined that they did not intend to call him to an account. The circumstances were such as to justify the belief on his part that he was licensed by silence to use the trade-mark. It would be INEQUITABLE to compel him to pay for this use during the long years that the complainants *slept upon their rights.*
>
> "In endeavoring to reach a just result the court should not overlook the fact that the delay in commencing the suit was unreasonable, and that some of the evils of which the complainants complain are attributable to their own laches in this regard. The facts seem to bring the case within the doctrine of *McLean v. Fleming*, 96 U. S., 245.
>
> "There should be a decree in favor of the complainants for an injunction [only], with costs" (23 Fed., 869).

The Supreme Court, in *Menendez vs. Holt* (128 U. S.), affirmed Judge COXE in refusing the accounting, saying among other things:

> ". . . as it is in the exercise of discretionary jurisdiction that the doctrine of reasonable dili-

> gence is applied, and those who seek equity must do it, a court might hesitate as to the measure of relief, where the use, by others, for a long period, under assumed permission of the owner, had largely enhanced the reputation of a particular brand. . . . [Then, after affirming Judge COXE in granting *injunction*, to prevent further infringement] "Delay in bringing suit there was, and such delay as to preclude recovery of damages for prior infringement . . . ."
>
> Menendez vs. Holt, 128 U. S., 514; 32 Law. Ed., 526.

Regarding McLean vs. Fleming, and Menendez vs. Holt, *supra*, Judge COXE says:

> "Although both these cases relate to trademarks, no reason is perceived why the principle there enunciated should not be applicable to patent causes".
>
> Edison El. L. Co. vs. Equitable, 55 Fed., 478, 480.

In *A. R. Mosler vs. Lurie*, the District Court (200 Fed., 433) had held the patent not infringed (p. 437); also that extensive use by defendant and others, during a number of years, without protest from the successive owners of the patent, constituted such laches as to bar all relief (p. 438–9). The Court of Appeals for the Second Circuit, in 209 Fed., 364, held the patent valid and infringed (p. 369); yet because of the lack of knowledge, by the successive owners of the patent, of the widespread infringements, the Court of Appeals

held that the suit itself was not barred as to *injunction;* nevertheless, they also held that the *defendant's* equity required that there should be no accounting (pp. 370–1).

A. R. Mosler vs. Lurie (Second C. C. A.), 209 Fed., 364, 370, 371.

Judge COXE, in sustaining a plea of laches in a patent suit, said:

> "Can a patentee maintain an equity action of infringement against a mere user who has used the patented structure openly for a period of 11 years with the full knowledge of the patentee and without objection from him? It is thought that this question must be answered in the negative," citing numerous Supreme Court decisions; and "it is affirmatively established * * * that the patents were plundered openly and continuously by the public without complaint by the owners of the patent, and that the defendant's alleged infringement was well known to them during 11 years and was acquiesced in without even a notice to desist * * * [Therefore] within all the authorities * * * an accounting and a preliminary injunction are out of the question * * *."
>
> Edison vs. Equitable, 55 Fed., 478, 480.

In *Imperial Chemical Co. vs. Stein*, the lower Court (69 Fed., 616) granted injunction against further infringement of a patent, but refused accounting on the ground of laches. The Court of Appeals for the Second Circuit recognized the rule, but found *no proof that plaintiff had been aware of defendant's long continued infringement*, and upon that ground reversed the Court

below and directed a decree for accounting as well as injunction (77 Fed., 612).

In the following patent-cases, accountings were refused on account of the delay of the several plaintiffs, the Courts holding it would be unjust to require defendants to account for the infringements committed during the period that the plaintiffs were sleeping on their rights,—although in several of these cases injunctions were granted, viz.:

N. Y. Grape Sugar vs. Buffalo, 24 Fed., 604.
Keller vs. Stolzenbach, 28 Fed., 81.
Price vs. Joliet, 46 Fed., 107.
Woodmanse & Hewitt vs. Williams (Sixth C. C. A.), 68 Fed., 489, affirming Court below.
Owens vs. Ladd, 76 Fed., 992.
Richardson vs. Osborne (Second C. C. A.), 93 Fed., 828, affirming Richardson vs. Osborne, 82 Fed., 95.
Starrett vs. Stevens, 96 Fed., 244, 246, affirmed (First C. C. A.), 100 Fed., 93.
Covert vs. Travers, 96 Fed., 568.
Meyrowitz vs. Eccleston, 98 Fed., 437, 440.
Westinghouse vs. New York, 111 Fed., 741.
Wilcox & White vs. Farrand, 139 Fed., 46, 48.
Nat'l Cash Reg. vs. Union, 143 Fed., 342, 346–8.
Safety vs. Consolidated (Second C. C. A.), 174 Fed., 658, 662, affirming Safety vs. Consolidated, 160 Fed., 476, 493.
Hall vs. Frank, 195 Fed., 946, 952, affirmed in Hall vs. Frank (Second C. C. A.), 202 Fed., 213, 215.

Gen'l Elec. vs. Yost, 208 Fed., 719, 721–724, and cases there cited.
Marconi vs. Nat'l, 213 Fed., 815, 863.

Since the rule as to laches in trade-mark cases applies also to laches in patent-cases (Edison v. Equitable, 55 Fed., 478, 480), we would cite a few trade-mark cases:

In the "Gold-Dust" trade-mark case in this Circuit, the trial Court in Oregon had held there was no infringement, and had therefore dismissed the bill (88 Fed., 694); but this Court (Judges GILBERT, ROSS and HAWLEY) had reversed that holding, and directed a decree in favor of plaintiff (102 Fed., 327, 334). When the case was remanded to the lower Court, his Honor Judge GILBERT, then sitting at circuit, refused *accounting*, because of plaintiff's knowledge of defendant's infringement for three years before bringing suit (106 Fed., 498)—although the *injunction* had been directed by the Court of Appeals. And Judge GILBERT'S *refusal* of accounting was affirmed by *this* Court (116 Fed., 332).

N. K. Fairbank vs. Luckel, 106 Fed., 498.
Same vs. Same (Ninth C.C.A.), 116 Fed., 332.

In the following trade-mark cases, although injunction was granted, yet *accounting was denied* because of plaintiff's delay in bringing suit, viz.:

N. K. Fairbank vs. Luckel, *supra*,—delay of three years.
Price vs. Joliet, 46 Fed., 107,—delay of seven and one-half years.

Low vs. Fels, 35 Fed., 361,—delay of less than four years.

Cohn vs. Gottschalk, 2 N. Y. Supp., 13,—delay of five years.

Worcester Brewing Co. vs. Reuter (First C. C. A.), 157 Fed., 217,—delay of only fifteen *months*.

Harrison vs. Taylor, 11 Jur. (N. S.), 408,—delay of less than one year.

The foregoing and many other decisions establish the rule that where a patentee has long "slept on his rights," he is not entitled to an *accounting* covering the period of his inactivity, even though his laches does not disentitle him to an *injunction*. Of course the seven decisions cited at the close of this Court's opinion (p. IX), all by Courts of Appeal or lower Courts, do not overrule the rule laid down by the Supreme Court. Indeed, some of those very decisions *recognize* that rule, but find the particular facts there set forth do not come within that rule. We will now review those seven decisions briefly.

1. The facts in *Taylor vs. Sawyer Spindle Co.* (Third C. C. A.), 75 Fed., 301, were radically different from those in the case at bar. To understand the situation, we refer the Court to the various reported decisions concerning that litigation, viz: *Sawyer vs. Morrison*, 52 Fed., 590; Same *vs.* Same, 54 Fed., 693; and Same *vs. Turner*, 55 Fed., 979; also *Sawyer vs. Taylor* (on motion for injunction), 56 Fed., 110; Same *vs.* Same (on final hearing), 69 Fed., 837; and *Taylor vs. Sawyer* (on Taylor's appeal), 75 Fed., 301. From

those reports, and particularly the one cited by this Court (75 Fed., 301), it appears that in 1889 the plaintiffs had commenced suit against one Morrison, and subsequently another suit against that same Morrison, which litigation lasted several years,—besides a third suit against another infringer named Turner; and that the Taylor concern was not incorporated until 1891, and "commenced its infringement during the pendency of the Morrison litigation"; that plaintiffs had thereupon proceeded against the Taylor concern, under the same patent, with what Judge DALLAS found to be "due diligence" sufficient to entitle them to a preliminary injunction (56 Fed., 110, 111); and that, when the case came on for final hearing, Judge DALLAS in granting the interlocutory decree with injunction, ordered the accounting "only from the date of defendant's incorporation, from and after which time there were no laches, as complainants had already begun their suit against the Morrison Co." Upon *that* ground the Court of Appeals affirmed said decree in the case cited by this Court, viz., Taylor vs. Sawyer, 75 Fed., 301, on page 304.

2. The facts in *Ide vs. Trorlicht &c. Carpet Co.* (Eighth C. C. A.), 115 Fed., 137, also are quite different from those in our case. From statements near the bottom of page 147 (and on page 138), it appears that prior to May, 1894, the patentee, Ide, had knowledge of the infringement and notified those defendants; and thereafter conducted "a spirited litigation" against them, "under *other* patents." From page 138 it appears that the patentee had previously sued another infringer, named Chuse; but that the Court of Appeals for the

Eighth Circuit (89 Fed., 491), had there held the patent *invalid;* that thereafter, the patentee having died, his executors applied for and obtained the reissue patent No. 11,730 [granted April 4, 1899]; and on July 14, 1899, some three months later, they commenced the suit against the Trorlicht Co., *supra*, on said reissue. It was upon that state of facts that the Court of Appeals for the Eighth Circuit set forth their reasoning on page 148 (of 115 Fed.), and quite properly held the plaintiff not barred from an accounting.

3. In *Empire Cream Separator vs. Sears-Roebuck*, 157 Fed., 238, Judge HOUGH'S opinion does not set forth the dates and facts, merely stating (p. 240), that:

> "*No* such persistent and long-continued acquiescence in infringement is shown in this case as would render it just to deprive the complainants of the usual reward of litigation."

The Court of Appeals for the Second Circuit modified Judge HOUGH'S decree with respect to certain devices found not to infringe (160 Fed., 668); but the *converse* of Judge HOUGH'S statement sets forth the true principle, viz.:

> "Persistent and long-continued acquiescence in infringement, if shown [as in our Columbia case at bar], *would* render it just to deprive the complainants of the accounting, even should he receive injunction."

4. In *Davis vs. Reid*, 187 Fed., 157, the lower Court had held the patent *invalid*, and dismissed the Bill; and *that* holding was affirmed by the Court of Appeals for the Third Circuit, in *Davis vs. Reid*, 195 Fed., 80,

83. Therefore, the question of laches might well have been left undecided. The exact dates and facts are not set forth in the report, the lower Court saying merely (p. 158 of 187 Fed.) that the plaintiffs gave "what seems to be a justifiable excuse for their delay". Whether either Court would have granted *accounting*, had the patent been found valid and infringed, does not appear.

5. In *Valvona-Marchiony vs. Marchiony*, 207 Fed., 380, 386, so far as the facts appear they are quite different from those in our Columbia case. That plaintiff had been pursuing "other infringers of its patent," "with considerable diligence"; and meanwhile the defendant was being repeatedly warned of his infringement; yet, after making a few slight changes in his device, in view of that pending litigation, he continued the infringement. Under those circumstances, the Court held that mere delay was not a bar. But the patent was held invalid and the decree *reversed*, at the same time as *Valvona vs. Perella*, 212 Fed., 168.

6. In *Drum vs. Turner*, 219 Fed., 188, the exact facts and dates do not appear, the Court merely noting (p. 198) that the patent-owner had brought no suit "for many years" and had used his invention only slightly; and, with respect to such delay, the Court cited (p. 198) *Menendez vs. Holt* and *McLean vs. Fleming* (*supra*) as authority for what those decisions emphatically do *not* hold, viz:

> "It is no defense to a suit for an injunction and an accounting [?] on account of the continuing trespasses of an infringer, that the

> latter has been trespassing on the rights of the owner of the patent for years with impunity."

But in *Menendez vs. Holt*, as in *McLean vs. Fleming*, the Supreme Court held that while such circumstances do not prevent *injunction*, yet they *do bar accounting*. And in our Columbia case, all the horn-manufacturers had been "infringing" for years *before* we commenced; and after we had commenced, *all* continued with impunity for many years more.

7. In *Benthall National Machine Co. vs. National*, 222 Fed., 918, 922, the infringement had commenced in July, 1909, and the litigation had been instituted in July, 1912,—within three years of the commencement of the infringement, and there was *no other material circumstance;* the Court observed (p. 922) that the litigation had been commenced within the statutory period of six years, and held that therefore the plaintiff was not barred from complete relief. On the same page 922, however, the Court formulated as correct the rule that:

> "Undoubtedly one may so sleep upon his rights, and allow his adversary to proceed apparently in contravention thereof, as to disentitle him in equity and fair dealing to assert his conflicting claim, * * *."

Conclusions.

1. The Nielsen patent is invalid, because the subject-matter is lacking in patentable "utility"; and this Court has in its possession reliable means for ascertaining that fact, indisputably.

2. But, passing that by, the Nielsen patent is invalid, because its subject-matter is a mere "double use" of the prior Gersdorff devices; and this Court, by considering the full disclosure of *both* Gersdorff patents and of the Nielsen Patent, can readily ascertain that fact.

3. But, passing that by, and even if the subject-matter of Nielsen's Claims constitutes patentable subject-matter, nevertheless said Nielsen Claims are invalid, because *Lilly* (rather than Nielsen) is the first inventor thereof.

4. But, passing that by also, and even if the Nielsen Claim be valid, nevertheless, the equities are such—whether termed "estoppel" or mere "laches"—as to bar a decree against this defendant; or, if not a complete bar against *all* relief, plaintiff is certainly not entitled to an *accounting* for the "infringements" it permitted defendant to enter upon and continue while plaintiff was sleeping upon its rights.

5. For each and all these reasons, this Honorable Court is earnestly petitioned to reconsider its former Opinion; and either to *reverse* the Decree of the lower Court, or to grant a re-hearing (oral or otherwise, as may seem best); or, in its Mandate to direct the lower Court to limit the decree to the injunction, with *no accounting*.

September 29, 1916.

Respectfully submitted,

CHARLES E. TOWNSEND,

C. A. L. MASSIE,

Of Counsel for Petitioner,

Defendant-Appellee.

Appendix A.

UNITED STATES CIRCUIT COURT OF APPEALS

FOR THE NINTH CIRCUIT.

COLUMBIA GRAPHOPHONE COMPANY, a Corporation, Appellant, vs. SEARCHLIGHT HORN COMPANY, a Corporation, Appellee.	No. 2759.

(OPINION, U. S. CIRCUIT COURT OF APPEALS.)

C. A. L. MASSIE and CHAS. E. TOWNSEND, for the Appellant.

JOHN H. MILLER, for the Appellee.

Before GILBERT, Ross and HUNT, Circuit Judges.

The appellant appeals from an interlocutory decree in a suit upon Letters Patent No. 771,441, issued October 4, 1904, to Peter Nielsen for a Phonographic Horn. The Court below found that Nielsen was the original and first inventor of the invention described in the

Letters Patent; that the said Letters Patent are good and valid as to Claims 2 and 3 thereof, as to which infringement was alleged; that the invention covered by those claims is of value and utility; that within six years prior to the commencement of the suit, the appellant infringed said Claims by selling horns for phonographs containing and embodying the invention described therein. Thereupon the court enjoined the appellant from making, using or selling any horn containing the invention described in said claims, and referred the case to a master to take an accounting of the profits received by the appellant and to assess the damages sustained by the appellee by reason of the infringement. The said Claims are as follows:

"2. A horn for phonographs and similar machines, the body portion of which is composed of longitudinally-arranged strips of metal provided at their edges with longitudinal outwardly-directed flanges whereby said strips are connected and whereby the body portion of the horn is provided on the outside thereof with longitudinally-arranged ribs, said strips being tapered from one end of said horn to the other, substantially as shown and described.

"3. A horn for phonographs and similar instruments, said horn being larger at one end than at the other and tapered in the usual manner, said horn being composed of longitudinally-arranged strips secured together at their edges and the outer side thereof at the points where said strips are secured together being provided with longitudinal ribs, substantially as shown and described."

GILBERT, Circuit Judge, after stating the case:

The appellant contends that Claims 2 and 3 were anticipated by the prior art, that they represent no patentable invention, and have no patentable utility or novelty, that the court below erred in finding that the appellant had infringed said Claims, and that the said court erred in not sustaining the appellant's plea of laches. The patent here involved has several times been before this court in controversies with parties other than the appellant here. Sherman Clay & Co. v. Searchlight Horn Co., 214 Fed. 86 and 214 Fed. 99; Pacific Phonograph Co. v. Searchlight Horn Co., 214 Fed. 257. The first of those cases was brought here upon a writ of error after a jury had found a verdict sustaining the validity of the patent and finding its infringement. It is said, however, that the present case presents new parties and new defenses sustained by new evidence. The new defenses are said to be the estoppel of the appellee by virtue of its attitude toward the Villy reissue patent, and its declarations concerning the same, the double use of the Gersdorff patent, and the laches of the appellee. The new evidence is said to refute the theory of the Nielsen horn's advantage in overcoming the tintinnabulation and avoiding the vibratory features of other horns and the metallic sound produced thereby.

The Villy patent, No. 739,954, issued on September 29, 1903, was for a folding horn made in tapering sections, and in general shape it was similar to the horn in suit. On February 24, 1905, the appellee's predecessor in interest, the U. S. Horn Company, acquired the Nielsen patent, and soon thereafter acquired the Villy patent.

On October 26, 1905, the U. S. Horn Company applied for a re-issue of the Villy patent, and on January 30, 1906, re-issue Letters patent No. 12,442 were granted. On January 4, 1906, the appellee purchased from the U. S. Horn Company both the Nielsen and the Villy re-issue patents. It is urged that the fact that the U. S. Horn Company applied for and obtained the Villy re-issue patent, while owning the Nielsen patent, had the effect to transfer to the Villy patent all credit for the subject matter defined by the Claims of the Nielsen patent, and to estop the appellee, the assignee of the U. S. Horn Company from asserting the contrary. Estoppel is also claimed from the fact that the appellee, after acquiring the Nielsen patent, issued a circular in which it said: "All of the so-called flower horns made by our aforesaid competitors are flagrant infringements of said patents," (that is, of the Villy re-issue patent and the Nielsen patent), and the fact that the appellee affixed to the metal horns which it sold the patent dates of both those patents, and in a letter asserted that Villy folding horn to be "acoustically the most perfect horn," and in another letter asserted that "the Nielsen patent and the Villy re-issue patent are the earliest flower horn patents." We are unable to discover in any of these features of the evidence ground of estoppel against the appellee. The statement that all other flower horns were flagrant infringements of the two patents which the appellee owned may fairly be interpreted as meaning that some of the competing horns infringed one and some infringed another of the two patents. The statement that the Villy horn was

acoustically the most perfect horn may have been true, and yet that fact could have no bearing upon appellee's right to maintain the present suit; and the statement that the Nielsen patent and the Villy re-issue patent are the earliest flower horn patents contains no element of estoppel. The final answer to all these alleged matters of estoppel is that it is not shown that the appellant at any time relied upon any of the said statements or was misled thereby, or acted thereon to its disadvantage or otherwise.

Nor can the acts and declarations of the appellee or its predecessors in interest be construed as an abandonment or relinquishment to the public of any of the features of the Nielsen patent. It would have been no defense to the appellant if, indeed, the appellee had, as the appellant claims, asserted that Villy's was the first patent for a "flower" horn, that it was a patent for a metal horn, and that it, rather than Nielsen's, dominated the art. That attitude of the appellee to its patents, if proven, would not have affected its rights in the present suit in the absence of a showing that the appellant was misled or injured thereby.

We find no merit in the contention that the appellee's patent is anticipated by the patent to Gersdorff, of June 9, 1891, No. 453,798. That was a patent for an improved funnel, the Claims of which had to do only with certain attachments, a strainer and a ventilating device. For the purpose of constructing the funnel so that it could be easily cleaned, it was made preferably without a transverse joint at the juncture of the body thereof with the nozzle, but was made slightly tapering

at that point, and this result was attained by making the funnel of three longitudinal parts, the sections being united along their side edges by bending the same to form flanges and interlocking and soldering the flanges together, "thus forming longitudinal seams", but in the nozzle which was triangular in shape, the sections were united by soldering instead of interlocking, thus forming continuous smooth seams. In other words, the inventor adopted the best available means for attaching together the three pieces of metal which formed the funnel. Above the nozzle where a smooth surface was unimportant, they were fastened together in the simplest method known to the tinner's art, while in the nozzle in which it was desired to secure a smooth surface, the joints were soldered. There was nothing in all this to suggest the Nielsen phonograph horn, the central thought of the inventor of which was to produce by means of exterior ribs a resistance to vibration which it was believed, and as witnesses maintain, interfered with the transmission of sound from the phonograph.

Also without merit is the contention that the appellee should be denied an injunction because of its former attitude toward a certain horn called in the record the "parabolic" horn, which it was selling before it purchased the Nielsen patent. That was a knock-down horn, made in four sections, fastened together by screws so that it could be taken apart and its pieces packed away. When the parts were assembled the horn was fluted and flower shaped and bore some resemblance to the Nielsen horn, with the exception that the longitudinal strips were not tapered outwardly only, but were tapered both

inwardly and outwardly. The fact that the appellee placed this horn on the market claiming it to be different from any other horn may indeed, as the appellant contends, serve to show the very limited construction which the appellee placed upon the Nielsen patent before it bought it. But if the appellee entertained that opinion at that time, it is not thereby estopped to present to the court at this time its view of the extent and scope of the Nielsen patent.

The appellant in its answer alleged that the patent in suit is without utility, and that a horn constructed in conformity therewith presents no acoustical advantage whatever over the ordinary and well-known horns of the same dimensions. Much testimony was adduced to sustain that defense. There was also much testimony to the contrary, testimony tending to prove that the Nielsen horn would do away with the mechanical, vibratory, metallic sound usually produced in the operation of such machines. The decree of the court below comes to us supported by the finding of that court that the invention protected by Claims 2 and 3 is of "value and utility," which means that the court below found against the appellant on the particular defense so pleaded. While it may be true, as the appellant contends, that the marked success and general use of the Nielsen horn is owing to is graceful shape and artistic appearance, rather than to any acoustical advantage which it possesses, the evidence does not convincingly point to that conclusion, and therefore under the well settled rule, we are not justified in disturbing the finding of the court below.

In the answer it was alleged that the appellant had

purchased from others all the horns it had dealt in, that prior to 1906 and continuously ever since, Hawthorne & Sheble and other metal manufacturers had openly and notoriously made and sold such horns, and that the appellant, together with the Victor Company and the Edison Company had openly and notoriously used and sold the same, and that the appellee and its predecessor in interest, who had full knowledge of said acts, made no protest except that in 1906, the appellee's predecessor notified Hawthorne & Sheble and the Victor Company that they had infringed, to which they replied that the patent was invalid and that they would continue their manufacture. The answer alleged that in view of those facts the appellant had been led to believe and was justified in believing that its vendors had the right to manufacture said horns and sell the same, and that relying on the conduct of the appellee and its predecessor in interest and their acquiescence in the said acts of others, the appellant was induced to expend large sums of money in acquiring for the benefit of its customers the horns understood now to be complained of. Wherefore, the appellant alleged that the maintenance of the present suit is contrary to equity and good conscience. In brief, the answer alleged that because the appellee knew of the alleged infringement, and when the appellant and others refused to desist from infringement, it failed to bring a suit to enjoin further infringement, and because the appellant continued to buy and sell infringing horns, the present suit is barred by the appellee's laches. Other than the fact that the appellant continued to buy and

sell the horns and continued to deny the validity of the appellee's patent, there is no evidence in the case that the appellant relied upon the conduct of the appellee and its predecessor in interest or was thereby induced to expend money, to its injury, or to change its position for the worse. It does not follow from the allegation that the appellant expended large sums of money in buying horns which it sold to its customers, that the horns were not sold to customers at such a price as to yield a profit to the appellant even after it shall have paid royalties thereon to the appellee. There is nothing in the defense so pleaded which requires consideration except the question whether the delay in bringing the suit amounts to laches which should bar the appellee. It was stipulated between the parties hereto that within six years prior to the commencement of this suit the appellant sold the horns which were alleged to infringe the appellee's patent, and it was in evidence that as early as 1906 the appellee's predecessor in interest notified the appellant and the manufacturers named in the answer of their claim that their rights in the Nielsen horn were being infringed, and that all of those companies so notified denied the infringement and denied the validity of the Nielsen patent, and said that the owners of the patent "would have to go to the courts before any particular one would stop making the horn." There was evidence, and it was not controverted, that the appellee's predecessors were without the necessary funds to commence litigation, that the expense of litigation would have been very great, and that it was not until April, 1910, that they placed the

matter in the hands of an attorney who brought the first suit early in 1911. In short, large and powerful manufacturers were infringing the device, and the owner of the patent was without funds to carry on an expensive litigation. But the owner's delay was accompanied by no act to induce appellant to believe that its infringement was acquiesced in, and by no act amounting to estoppel. The bare fact that the appellant and others, with full knowledge of the appellee's claim, trespassed with impunity on the rights of the appellee for years, is no defense to a suit for an injunction and an accounting for the trespasses. Taylor v. Sawyer Spindle Co., 75 Fed., 301; Ide v. Trorlicht, Duncker & Renard Carpet Co., 115 Fed., 137; Empire Cream Separator Co. v. Sears Roebuck & Co., 157 Fed., 238; Valvona-Marchiony Co. v. Marchiony, 207 Fed. [380], 386; Davis v. A. H. Reid Creamery & Dairy Supply Co., 187 Fed., 157; Benthal Mach. Co. v. National Mach. Corporation, 222 Fed., 918; Drum v. Turner, 219 Fed., 186 [188].

We find no error. The decree is affirmed.

(Endorsed) Opinion. Filed Sep. 5, 1916, Frank D. Monckton, Clerk, by Paul P. O'Brien, Deputy Clerk.

Appendix B.

IN THE DISTRICT COURT OF THE UNITED STATES

IN AND FOR THE NORTHERN DISTRICT OF CALIFORNIA, SECOND DIVISION.

HON. WM. C. VAN FLEET, Judge.

SEARCHLIGHT HORN COMPANY,
Plaintiff,

v.

PACIFIC PHONOGRAPH COMPANY,
Defendant.

MONDAY, November 29th, 1915.

ORAL OPINION OF THE COURT.

THE COURT: (Orally) In this case the only consideration that has materially affected my mind at all is the one growing out of the evidence produced with reference to alleged prior use in Pittsburg. I paid very close attention to that evidence, having in view the degree of proof that is required under the law to establish the fact

of prior use, and I am perfectly satisfied that it falls wholly short of measuring up to the standard which would enable this court to deprive the complainant of the benefit of its established patent through the instrumentality of that showing. It is not at all necessary in my view to convict these various witnesses as counsel has intimated, of perjury. There is but a single exception that I would be disposed to make where perhaps the evidence of the witness is open to a criticism somewhat more severe than I would feel justified in applying to the other witnesses. All of us know the limitations and frailties of the human mind and its disposition to receive suggestion as to events which it accepts and acts upon as something that has been actually seen or heard, when in truth such is not the fact, and in my judgment all of this evidence that has been produced from Pittsburg as to this claimed prior use is referable to that infirmity in the human mind. I think it is all readily accounted for upon the ground of mistake as to the period of time when these witnesses think they saw the class of horns in question. Now that in my mind, and I regret to be called upon to say it, does not apply to the witness Adolph Hammer. The evidence of Adolph Hammer, I do not think, can be accounted for upon that theory. The witness goes too minutely into details,—details which do not appeal to me as being sustained by the reasonable probabilities at all,—to enable me to believe that he was free from manipulation and sophistication, so far as his evidence is concerned; but he is the only witness whose evidence I would be disposed to characterize in that way or to in any wise severely criti-

cise. There are other witnesses in the record who have shown manifest eagerness in behalf of the party calling them that I think is not entirely commendable, but still it is not at all unusual. But, in my judgment, without stopping to particularize any of its details, the evidence of these various witnesses I think is referable to those considerations which do not necessarily grow out of deliberate perjury at all. I do not regard it as necessary to the conclusion which the court has reached to so regard it. I think it is entirely referable to that readiness of the mind in man in considering past events to adopt suggestions as to time, place and circumstances and dwell upon it to an extent which will enable and induce any of us in many instances to believe that the fact is as we testify it to be. That is not perjury; that simply grows out of the frailties of the human mind and memory. It is wholly impossible for me to bring my mind to the conclusion, with the evidence produced from these witnesses as to the number of these horns that are claimed to have been manufactured—I do not care, as I said a few moments ago, whether it was 50 or 100 or 150—but it is utterly inconceivable in view of the avidity and unanimity with which this so-called flower horn was subsequently seized upon by the trade when it was produced under the Nielsen patent, to believe that had it had a previous history of the magnitude which it is undertaken to show, that it would not have filled the same want that was being felt by the trade as it did subsequently; and yet the evidence would tend to show that it was fully ten years prior to the production under the Nielsen patent

that this considerable number of horns of identically the same construction were produced and sold and traded in in Pittsburg. It is quite beyond my belief that that was probable. They may have had something of a novel character, but the witnesses in my judgment have simply confused with the time when they first saw the flower horn, the subsequent date when they came generally in use and were put upon the market by all the different manufacturers and dealers. I have not the least hesitation in coming to that conclusion; and therefore I am quite satisfied that the showing here to establish prior use is entirely insufficient to justify the court in saying that the proof has been made to a reasonable certainty.

That being so, there is but one conclusion for me to reach, and I think as I said before that it will be better for the parties to expend their further energies in convincing the court of review that this court is wrong than to undertake to change my mind. That is not saying that I am not ready to devote all the time that I believe is reasonably called for upon a given subject. But this patent and these various questions, outside of this new feature presented by the evidence produced of prior use, has now been before this court four or five times, and I have had repeated occasion on applications for injunction and on the trial of the cases against Sherman & Clay, and on all these different occasions, to have presented to my mind considerations which cover nearly the entire field of questions which have been brought forward here; and very reasonably I feel that it would be useless for counsel now to try and change my mind upon those questions. That is why I say that I do not feel that my

mind could be shaken upon the question as to the correctness of the conclusion heretofore reached upon the question of novelty and patentability of this patent. I think that a decree should go in favor of the plaintiff.

In the other case, Searchlight Horn Company vs. Columbia Graphophone Company, which has abided the result in this case, a like decree will go. The parties may draft the appropriate form of decree and present it for signature.

No. 2760

United States

Circuit Court of Appeals

For the Ninth Circuit.

HALVORSEN TRANSPORTATION COMPANY, a Corporation, J. B. ARKISON, H. C. HALVORSEN, GEORGE W. DORNIN, C. R. CODDING, G. C. CODDING, P. S. COLBY and A. M. DE VALL, and a Certain Barge and the Gasoline Launch "SEVEN BELLS," Her Engines and Machinery and Appurtenances,

Appellants,

vs.

V. J. B. CHEDA,

Appellee.

APOSTLES ON APPEALS.

Upon Appeals from the United States District Court for the Northern District of California, First Division.

Filed
MAY 1 – 1918
F. D. Monckton,

Filmer Bros. Co. Print, 330 Jackson St., S. F., Cal.

No. 2760

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Appellants,

vs.

V. J. B. CHEDA,

Appellee.

APOSTLES ON APPEALS.

Upon Appeals from the United States District Court for the Northern District of California, First Division.

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[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in italic; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in italic the two words between which the omission seems to occur. Title heads inserted by the Clerk are enclosed within brackets.]

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In the District Court of the United States, for the Northern District of California, First Division.

IN ADMIRALTY—No. 15,594.

V. J. B. CHEDA,

Libelant,

vs.

HALVORSEN TRANSPORTATION COMPANY, a Corporation, J. B. ARKISON, H. C. HALVORSEN, GEORGE W. DORNIN, A. M. DE VALL, a Certain Barge and Gasoline Launch, "SEVEN BELLS," Her Engines, Machinery and Appurtenances,

Respondents.

HAVORSEN TRANSPORTATION COMPANY, a Corporation,

Claimant.

Amended Praecipe for Apostles on Appeal.

To the Clerk of the Above-entitled Court:

The respondents herein, Halvorsen Transportation Company, J. B. Arkison, H. C. Halvorsen, George W. Dornin, P. S. Colby, C. R. Codding, and G. C. Codding, having appealed to the United States Circuit Court of Appeals, for the Ninth Circuit, from the final decree of this court, entered herein, you are hereby requested to prepare and certify the apostles on appeal to be filed in said Appellate Court in due course. Said apostles on appeal to include in their proper order and form the following papers and documents, to wit:

Statement, in Accordance With Subdiv. 1, of Sec. 1, Rule 4.

Amended Libel.
Answers (2).
Deposition of Codding.
Testimony Taken in Open Court.
Order to Enter Decree in Favor of Libelants, etc.
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Stipulation for Sale of "Seven Bells."
Order for Sale of "Seven Bells." [1*]
Venditioni Exponas.
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This Praecipe.
All Original Exhibits Introduced at the Hearing.

IRA S. LILLICK and
O. K. GRAU,
Proctors for Halvorsen Transportation Co. et al.

I. F. CHAPMAN,
ANDROS & HENGSTLER,
GOLDEN W. BELL,
Proctors for "Seven Bells."

*Page-number appearing at foot of page of original certified Apostles on Appeals.

[Endorsed]: Filed Mar. 2, 1916. W. B. Maling, Clerk. By T. L. Baldwin, Deputy Clerk. [2]

Statement of Clerk U. S. District Court.

PARTIES.

Libelant: V. J. B. Cheda.

Respondents: Halvorsen Transportation Company, a Corporation, J. D. Arkinson, H. C. Halvorsen, George W. Dorning, A. M. De Vall, C. R. Codding, G. C. Codding, and P. S. Colby, a Certain Barge, and the Gasoline Launch "Seven Bells," Her Engines, Machinery and Appurtenances.

Claimants: Halvorsen Transportation Co., a Corp. (claimant of a certain barge).

A. H. Gilmore and Standard Gas Engine Co., a Corporation (claimants of Gasoline Launch "Seven Bells").

PROCTORS

for

Libelant: H. W. Hutton, Esq., San Francisco, California.

Respondents and Claimants of a Certain Barge:

Ira S. Lillick, Esq., and O. K. Grau, Esq., San Francisco, California.

Claimants of Gasoline Launch "Seven Bells":

Andros & Hengstler, Esqs., Golden W. Bell, Esq., and I. F. Chapman, Esq., San Francisco, Calif. [3]

PROCEEDINGS.

1914.

February 7. Filed verified libel for loss of goods. Issued monition for the attachment

of the gasoline launch "Seven Bells," and a certain barge, which monition was afterwards, on February 24th, 1914, returned and filed with the return of the United States marshal endorsed thereon, as follows:

"In obedience to the within Monition, I attached *the* a certain barge therein described on the 16th day of February, 1914, and have given due notice to all persons claiming the same that this Court will, on the 24th day of February, 1914 (if that day be a day of jurisdiction, if not, on the next day of jurisdiction thereafter), proceed to trial and condemnation thereof, should no claim be interposed for the same. I further return that I posted a notice of seizure on the herein-named certain barge, I also return that there being no one in charge of said barge, I posted a copy of this Monition thereon. I attached the said Barge in the Bay of San Francisco near Hunter's Point.

JAS. B. HOLOHAN,
United States Marshal.
By Paul J. Arnerich,
Deputy.

San Francisco, Cal.
February 16th, 1914."

Issued Citation for appearance of respondents, which Citation was afterwards, on March 4th, 1914, returned and filed, with return of U. S. marshal showing service on all respondents.

27. Issued Alias Monition for attachment of the gasoline launch "Seven Bells," which monition was afterwards, on March 23d, 1914, returned and filed with the following return of the U. S. marshal: **[4]**

"In obedience to the within Monition, I attached the gasoline launch "Seven Bells" therein described, on the 27th day of February, 1914, and have given due notice to all persons claiming the same that this Court will, on the seventeenth (17th) day of March, 1914 (if that day be a day of jurisdiction, if not, on the next day of jurisdiction thereafter), proceed to trial and condemnation thereof, should no claim be interposed for the same. I further return that I posted a notice of seizure on the herein named gasoline launch 'Seven Bells'; handed to and left

a copy of the within monition with Peter Luque, watchman for the Standard Gas Engine Company of East Oakland, at East Oakland. I further return that I made the seizure in the Estuary, foot of 23d Avenue, East Oakland.

J. B. HOLOHAN,
United States Marshal.
By M. J. Fitzgerald,
Office Deputy.

San Francisco, Cal., February 28th, 1914."

March 2. Filed exceptions of Halvorsen Transportation Co. et al., respondents and claimants of a certain barge.

5. Filed amended exceptions to libel.

Filed claim of Halvorsen Transportation Company, a Corp., to a certain barge.

Filed admiralty stipulation for release of a certain barge, in the sum of $1600 with Massachusetts Bond & Insurance Co., as Surety.

17. Filed affidavit and order for monition to issue against Standard Gas Engine Company.

Issued monition against Standard Gas Engine Company, to show cause why a certain gasoline engine, taken from the "Seven Bells" should not be delivered to U. S. Marshal, which monition was, on

March 20th, 1914, *return* and filed, with U. S. Marshal's Return, showing service, endorsed thereon. [5]

March 24. Filed order that Standard Gas Engine Company deliver a certain gasoline engine to U. S. Marshal.

April 9. Filed claim of A. H. Gilmore and Standard Gas Engine Company, a Corp., to the gasoline launch "Seven Bells."

13. Filed answer of claimants A. H. Gilmore and Standard Gas Engine Co.

June 13. This cause this day came on for hearing, upon *resdents'* (Halvorsen Transportation Co. et al.) Exceptions to Libel, after hearing duly had, the Court ordered that the matter stand submitted.

16. The Court this day filed a written order, in which it was ordered that the exceptions to libel be sustained, and allowing libelant ten days within which to amend.

July 6. Filed amended libel.

28. Filed answer of respondents to amended libel.

August 24. Filed answer of claimants of "Seven Bells" to amended libel.

1915.

January 25. This cause this day came on for hearing in the District Court of the United States, for the Northern

District of California, at San Francisco, before the Honorable M. T. Dooling, Judge, and after hearing duly had, was continued until January 29th for further hearing. On said last-mentioned date, after further hearing being had, the matter was submitted to the Court for decision. **[6]**

January 29. Filed deposition of Charles R. Codding, taken on behalf of respondents.

March 4. The Court this day filed an order directing a decree to be entered in favor of libelant, and referring the matter to Francis Krull, Esq., United States Commissioner to ascertain and report the amount due.

April 1. Filed stipulation that "Seven Bells" be sold.

Filed order that "Seven Bells" be sold.

Issued *venditioni exponas* for sale of "Seven Bells."

Filed interlocutory decree.

15. Filed *venditioni exponas* on return (sold for $685.00).

July 6. Filed petition of respondents for rehearing.

September 25. Filed report of commissioner as to amount due.

October 2. The Court this day ordered that the report of commissioner be confirmed, and that a decree be entered in the sum of $2,596.25, together with interest.

22. Filed dismissal as to respondent, A. M. De Vall.

23. The Court this day ordered that the petition for rehearing be denied.

November 1. Filed final decree.

22. Filed notice of appeal (Halvorsen Transportation Co. et al.).

Filed notice of appeal (claimants of "Seven Bells").

Filed bond on appeal (claimants of "Seven Bells") in the aggregate sum of $300, with The National Surety Company as surety. [7]

Filed bond on appeal (respondents, Halvorsen Transportation Co. et al.), in the aggregate sum of $3,500.00, with the American Surety Co. as surety.

December 8. Filed praecipe for apostles on appeal.

21. Filed stipulation that the same apostles on appeal may be used by all the respondents.

1916.

February 23. Filed assignment of errors (claimants of "Seven Bells").

25. Filed order that all exhibits be sent up on appeal in their original form.
Filed one volume of testimony taken in open court.

March 1. Filed assignment of error (Halvorsen Transportation Company et al.).

2. Filed amended praecipe for apostles on appeal. [7½]

In the District Court of the United States, in and for the Northern District of California, First Division.

IN ADMIRALTY —No. 15,594.

V. J. B. CHEDA,

Libelant,

vs.

HALVORSEN TRANSPORTATION COMPANY, a Corporation, J. D. ARKINSON, H. C. HALVORSEN, GEORGE W. DORNING, A. M. DE VALL, C. R. CODDING, G. C. CODDING, and P. S. COLBY, a Certain Barge, and the Gasoline Launch "SEVEN BELLS," Her Engines and Machinery and Appurtenances,

Respondents.

Amended Libel.

To the Honorable M. T. DOOLING, Judge of the First Division of the Above-entitled Court:

The libel of V. J. B. Cheda of said district, mer-

chant, against Halvorsen Transportation Company, a corporation and marine carrier, and against the personal defendants in the caption hereof named, each of whom is a stockholder in said corporation, and also against a certain barge at the times hereinafter mentioned operated by said Halvorsen Transportation Company, and also against the gasoline launch "Seven Bells," her engines, machinery and appurtenances, in a cause of damage arising from breach of contract, to wit, failure to deliver goods received for carriage, civil and maritime, allege as follows:

I.

That at the time of the filing of the original libel herein, [8] the barge in the caption hereof mentioned and the gasoline launch "Seven Bells," her engines and machinery and appurtenances, were lying within the port of San Francisco, in the State of California, within the district of the above-named Honorable Court, and each of the personal defendants in the caption hereof named was a resident of the said Northern District of California, that the occupations of said personal defendants other than that of A. M. De Vall, who is an attorney at law, and George W. Dorning, who is an agent for an insurance company, libelant does not know, nor does he know the particular places of residence of any of said personal defendants within said Northern District of California.

II.

That on all of the dates and times herein mentioned defendant Halvorsen Transportation Company, was

and now is a corporation, organized and existing under and by virtue of the laws of the State of California, and at the time of the filing of the original libel herein it had its office and principal place of business in the city and county of San Francisco, in the State of California, and carried on the business of a common carrier at said time and on all of the dates and times herein mentioned, in the carriage of goods between the city and county of San Francisco, in said State, and the city of San Rafael, county of Marin, in said State, and the personal defendants in the caption hereof named were stockholders in said corporation and collectively owned all of the subscribed capital stock thereof.

III.

That said Halvorsen Transportation Company carried on its said business under the name of San Rafael and San Francisco Express Company, and in carrying on its said business of a common carrier it advertised to the people of said San Francisco **[9]** and the said San Rafael that it was engaged in and it offered to the public of each of said places to carry property between such places.

IV.

That for the purpose of carrying on such business it used the barge mentioned in the caption hereof, and it also hired and employed towboats to tow said barge, and at the time hereinafter mentioned it hired and employed the said gasoline launch "Seven Bells" as a towboat to tow said barge.

V.

That under the laws of the State of California, to

wit, section 3 of article XII of the Constitution of said State, and section 322 of the Civil Code thereof, the stockholders who own the subscribed capital stock of a corporation, are primarily liable for the debts and liabilities of a corporation incurred during the time that they are such stockholders in proportion as the amount of such capital stock each owns bears to the whole of the subscribed capital stock of such corporation, that the amount or proportion of capital stock of said Halvorsen Transportation Company that was owned by the individuals and personal respondents herein at the times hereinafter mentioned is unknown to libelant and for that reason he is unable to state the same at this time.

VI.

That on or about the 31st day of December, 1913, the said Halvorsen Transportation Company received at the city and county of San Francisco, in the State of California, goods and merchandise of the property of the following named persons, which it loaded on board the barge hereinbefore mentioned and as such common carrier it promised to carry to said San Rafael and there safely deliver the same, to wit, wheat belonging to a firm known and called Cheda & Co., of the value of $587.50, hardware goods [10] belonging to one R. W. Johnson of the value of $17.47, groceries belonging to a firm or corporation called the Marin Gold Co., of the value of $40.32, cigars and tobacco and smoking goods belonging to one A. Enos of the value of $16.99, vegetables belonging to one E. W. Davidson of the value of $37.41, drugs and chemicals and goods usually sold by drug-

gists belonging to a firm known as the Inman Drug Company, of the value of $79.41, meats belonging to one Frederick Mehl of the value of $79.50, toys and stationery goods belonging to one W. H. Jones of the value of $20.47, groceries belonging to F. L. Von Husen and H. J. Von Husen of the value of $126.43, wheat and groceries belonging to a corporation known as Grossjean & Co., of the value of $460.44, dry goods belonging to one J. Alberts of the value of $60.38, groceries belonging to one F. J. Ward of the value of $77.55, liquors belonging to a corporation known as Marin County Wine & Liquor Co., of the value of $113.45, gentlemen's furnishing goods belonging to one James Begley of the value of $31.05, hardware goods belonging to a corporation known as Scott Hardware Company of the value of $7.50, groceries belonging to one H. A. Fraser of the value of $52.45, groceries belonging to a partnership firm doing business under the name of Barnes Bros. of the value of $108.80, meats belonging to one Chas. Wechesler of the value of $163.25, groceries belonging to J. D. De Grazia of the value of $27.65, flour belonging to one J. Riede of the value of $39.40, liquors belonging to one L. Coda of the value of $15.12, stationery goods belonging to one Rita Jones of the value of $25.13, and stationery goods belonging to one R. W. Du Bois of the value of $155, said values all being the reasonable value of said goods, and also ladies' furnishing goods belonging to one B. de Cuhna of the value of $74 of like reasonable value.

VII.

That at the times herein mentioned the said barge

was unfitted to carry said goods in this, that it had an anchor but no [11] anchor chain, and but one man on board when it should have had least two, and after the loading of said goods on said barge the said launch "Seven Bells" undertook to tow the said barge with said goods so on board from said San Francisco, to said San Rafael, that at said time the weather was bad and stormy and unfit weather to make said voyage, and the said gasoline launch was not of sufficient capacity or power to tow said barge at any time, but the master of said launch well knowing that fact took the said barge in tow so laden and proceeded on said voyage, that upon arriving near said San Rafael, the master of said launch negligently and carelessly and without any cause therefor cast off a tow-line with which said launch was towing the said barge so that said launch could no longer tow the same and allowed the said barge with the said goods on board to drift with the wind and tide and said barge having no anchor chain was unable to anchor but drifted ashore by reason of the wind and sea which were heavy and stormy, to wit, both the wind and the sea where the said barge was so cast adrift were heavy and stormy, and the whole of the hereinbefore mentioned goods by reason of the foregoing became lost, and none thereof were delivered to any of the hereinbefore mentioned persons to whom the same belonged, excepting that some of the wheat belonging to Cheda & Co. was delivered to it, damaged and of no ascertainable value.

VIII.

That on the 5th day of February, 1914, each of the persons mentioned in paragraph VI hereof assigned and set over their and each of their claim and demand for the loss of said goods so belonging to them and lost as aforesaid to libelant and libelant is now the owner and holder of such claims and each thereof and all rights thereunder.

IX.

All and singular the premises are true and within the [12] admiralty and maritime jurisdiction of the United States, and of this Honorable Court.

Wherefore libelant prays that process in due form of law, according to the course of this Honorable Court in cases of admiralty and maritime jurisdiction may issue against the said gasoline vessel "Seven Bells," her engines and machinery and appurtenances, and also against the barge mentioned in the caption hereof, and that all persons claiming any right or interest therein may be cited to appear and answer under oath all and singular the premises aforesaid, and that process in due form of law may issue against the personal and corporation respondents herein, and that they may each be cited to appear and answer under oath all and singular the premises aforesaid, and that this Honorable Court will be pleased to decree the payment of the amounts aforesaid with interest and costs, and that said gasoline launch "Seven Bells," her engines and machinery and appurtenances may be condemned and sold to pay said amounts and that said barge may also be

condemned and sold to pay said amounts, and that libelant may have such other and further relief as the court is competent to give in the premises.

V. J. B. CHEDA,
Libelant.

H. W. HUTTON,
Proctor for Libelant. [13]

United States of America,
Northern District of California,—

V. J. B. Cheda, being first duly sworn, deposes and says as follows:

I am the libelant above named; I have read the foregoing amended libel and I know the contents thereof and the same is true of my own knowledge except as to the matters therein stated on information or belief, and as to those matters I believe it to be true.

V. J. B. CHEDA.

Subscribed and sworn to before me, this 26th day of June, 1914.

[Seal] F. J. HEALY,
Notary Public in and for the County of Marin, State of California.

[Endorsed]: Filed, Jul. 2, 1914. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. [14]

In the District Court of the United States, for the Northern District of California, First Division.

IN ADMIRALTY,—No. 15,594.

V. J. B. CHEDA,

Libelant,

vs.

HALVORSEN TRANSPORTATION COMPANY, a Corporation, et al., a Certain Barge, and the Gasoline Launch "SEVEN BELLS," her Engines and Machinery and Appurtenances,

Respondents.

Answer (Halvorsen Transportation Co. et al.).

To the Honorable M. T. DOOLING, Judge of the District Court of the United States for the Northern District of California:

The answer of the Halvorsen Transportation Co., a corporation, owner and claimant of the barge above named, J. D. Arkinson, *used* as J. F. Arkinson, H. C. Halvorsen, George W. Dornin, sued as George W. Dorning, A. M. De Vall, C. R. Codding, G. C. Codding and P. S. Colby, to the libel of V. J. B. Cheda, respectfully shows, as follows:

I.

Answering unto the first, second and third articles in the said libel, the claimant and respondents admit the same, except that they deny that the personal respondents named in said libel collectively own all of the subscribed capital stock of the said Halvorsen Transportation Co.

II

Answering unto the fourth article in said libel, the claimant and respondents admit the same, and, in this connection, allege that the launch "Seven Bells," therein mentioned, was [15] employed by the claimant to tow the said barge on daily trips to and from the ports of San Francisco and San Rafael; that the said "Seven Bells" was in charge of her own master and had the exclusive control, direction and management of both the said "Seven Bells" and said barge, and that the said barge was manned by a crew selected and appointed by the owners of the said "Seven Bells."

III.

Answering unto the fifth article in said libel, the claimant and respondents aver that they have no knowledge or information of the matters and things therein alleged, wherefore they call for proof thereof, if the same be relevant.

IV.

Answering unto the sixth article in said libel, the claimant and respondents admit that on or about the 31st day of December, 1913, the said Halvorsen Transportation Company received at the city and county of San Francisco, State of California, goods and merchandise which it loaded on the said barge and promised to carry to, and safely deliver the same in, the port of San Rafael, but claimant and respondents aver that they have no knowledge or information concerning the ownership of said goods

and merchandise, nor the value of the same, wherefore they call for proof thereof, if the same be relevant.

Further answering said article, claimant and respondents allege that under the bills of lading under which the said goods and merchandise were shipped, the said goods and merchandise were, under the terms of said bills of lading, to be delivered in like good order and condition at the port of San Rafael as when received, except that if due diligence had been used to make the said vessel in all respects seaworthy and properly manned, equipped and supplied, the carrier should not be liable for any loss or damage that should result in whole or in part from the perils of [16] the sea, or other waters, stranding or other accidents of navigation, fault or error in navigation of vessel, fault or error in management of vessel, whether such fault or error was before or after sailing, or was in port or at sea.

V.

Claimant and respondents allege that the loss and damage referred to in said libel were caused solely and entirely by the force of the wind and waves and perils of the sea, which, notwithstanding that due diligence had been exercised to make the said vessel in all respects seaworthy and properly manned, equipped and supplied, caused the said barge to drag her anchor, which was immediately dropped and all of the anchor line paid out, when the said barge was so cast adrift by the said "Seven Bells," but, owing to the violence of the wind and waves, the said barge

was driven on to the shore by the wind and sea and it became wrecked, and the goods aboard said barge, by reason thereof, were damaged.

VI.

Answering unto the seventh article in said libel, the claimant and respondents deny that at the times therein mentioned the said barge was unfitted to carry said, or any, goods; admit that the said barge had an anchor, but no anchor chain, and in this connection the claimant and respondents allege that the said barge was, at all times, equipped with a good and sufficient anchor, and a good and sufficient anchor line; admit that one man was on board of said barge, but deny that there should have been two, or that said "Seven Bells" was not of sufficient capacity or power to tow the said barge at any time; admit that the master of the said "Seven Bells" cast off the tow-line with which the said "Seven Bells" was towing the said barge so that the said "Seven Bells" could no longer tow the same, and allowed the said barge with the said goods on board to drift with the wind and tide, and that said barge had no anchor chain, but deny that said barge was [17] unable to anchor; admit that the said barge drifted ashore by reason of the heavy wind and sea, where the said barge was so cast adrift.

That claimant and respondents aver that they have no knowledge or information in respect to the amount of goods lost, nor the condition of the goods delivered, nor the state of the weather at the time the said "Seven Bells" undertook to tow the said barge to the port of San Rafael from the port of San

Francisco, nor the knowledge of the master of said "Seven Bells" concerning the same, nor the alleged negligence, or carelessness, of the master of the said "Seven Bells," wherefore they call for proof thereof, if the same be relevant.

VII.

Answering unto the eighth article in said libel, the claimant and respondents aver that they have no knowledge or information with respect to the assignment of the alleged claims, wherefore they call for proof thereof, if the same be relevant.

VIII.

Answering unto the ninth article in said libel, the claimant and respondents admit the jurisdiction of the Court, but deny that all and singular the premises of said libel are true, except as the same are hereinbefore specifically admitted.

IX.

Further answering said libel, and as a separate defense thereto, the claimant and respondents allege that the said bills of lading provided that no omission to exercise due diligence, to make the said vessel seaworthy and properly manned, equipped and supplied, should be presumed, but the same must, if claimed or alleged, be proved by the shipper, and that the carrier in no event should be liable for the loss of, or damage to, the contests of any parckage unless it first be proved by the shipper, and that the carrier in no event should be liable for the loss of, or damage [18] to, the contents of any package unless it first be proved by the shipper that such loss or damage was caused by, or resulted from, the car-

rier's neglect or fault.

The claimant alleges that under the said bills of lading it was further agreed that the carrier and /or the vessel should only be required to exercise due diligence to make the vessel seaworthy in all respects at the time of shipment, commencement of the voyage or on the voyage, and if such due diligence had been used to make the vessel in all respects seaworthy and properly manned, equipped and supplied neither the vessel, owner nor the carrier should become, or be held, liable for damage or loss resulting from unseaworthiness or from any other cause of what kind soever, and that by the said bills of lading said vessel was not warranted seaworthy, save only in so far as the exercise of due care by the carrier in the selection of its agents, superintendents and their attention to their duties had secured, or might secure, it.

X.

Further answering said libel, the claimant and respondents allege that under the terms of said bills of lading it was provided that if the carrier was held liable for any damage or loss to the packages shipped, it should *ipso facto,* be subrogated to, and have the benefit of, all insurance procured upon said package. The claimant and respondents allege that they are informed and believe, and upon such information and belief allege, that the libelant carried insurance upon said packages, and under the terms of the said bills of lading the claimant is entitled to the benefit thereof, and offers to set off the amount of said insurance against libelant's demand, if any should be found to exist.

XI.

Further answering the said libel, the claimant and [19] respondents allege that at all of the times hereinbefore recited the said barge was engaged in transporting merchandise to a port in the United States of America, and that her owners exercised due diligence to make her in all respects seaworthy and properly manned, equipped and supplied, and that accordingly, under the Act of Congress approved February 13, 1893, entitled "AN ACT RELATING TO THE NAVIGATION OF VESSELS, BILLS OF LADING AND CERTAIN OBLIGATINS, DUTIES AND RIGHTS IN CONNECTION WITH THE CARRIAGE OF PROPERTY," (the Harter Act, so called), the said barge and her owners are not to be held responsible for any damage which may have occurred to the packages shipped and referred to in said libel.

XII.

Further answering the said libel, the claimant and respondents allege that the said barge was in no way in fault for the loss of, and damage to, said goods and merchandise; that if the said barge should be so found in fault that the same was done, occasioned and incurred without the *provity* or knowledge of the said Halvorsen Transportation Company, the owner of said barge, and accordingly, under the Act of Congress of March 3, 1851, (The Limited Liability Act, so called), the said owner's liability is limited to the amount or value of its interest in the said barge and freight just after the stranding and wreck, as aforesaid, and that the value of the said

interest is the sum of Four Hundred (400) Dollars.

WHEREFORE, the claimant prays that said libel be dismissed and for its costs incurred herein.

HALVORSEN TRANSPORTATION COMPANY,

By GEO. C. CODDING,
Secretary,
Claimant. [20]

J. D. ARKISON.
H. C. HALVORSEN.
A. M. DE VALL.
C. R. CODDING.
GEO. C. CODDING.
GEO. W. DORNIN.

By GEO. C. CODDING,
Atty. in Fact.

P. S. COLBY,

By GEO. C. CODDING,
Atty. in Fact,
Respondents.

IRA S. LILLICK and
O. K. GRAU,
Proctors for Claimant and Respondents.
[21]

United States of America,
Northern District of California,—ss.

Geo. C. Codding, being first duly sworn, deposes and says that he is an officer, to wit, the secretary of the Halvorsen Transportation Company, a corporation, one of the respondents in the above-entitled action; that he has read the foregoing answer and the same is true except as to those matters therein stated

on information or belief, and as to those matters he believes it to be true.

GEO. C. CODDING.

Subscribed and sworn to before me, this 22d day of July, 1914.

[Seal] LEORA HAIL,

Notary Public in and for the City and County of San Francisco, State of California.

[Endorsed]: Filed, Jul. 28, 1914. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. **[22]**

In the District Court of the United States for the Northern District of California, First Division.

IN ADMIRALTY—No. 15,594.

V. J. B. CHEDA,

Libelant,

vs.

HALVORSEN TRANSPORTATION COMPANY, a Corporation, et al., a Certain Barge, and the Gasoline Launch "SEVEN BELLS," Her Engines and Machinery and Appurtenances,

Respondents.

Answer of Claimants of Gasoline Launch "Seven Bells," Her Engines, Machinery and Appurtenances, to Amended Libel.

To the Honorable M. T. DOOLING, Judge of the District Court of the United States for the Northern District of California:

The Answer of the claimants of the gasoline launch

"Seven Bells," her engines and machinery and appurtenances, respectfully denies, admits and alleges as follows, to wit:

I.

Answering unto the first article in said Amended Libel, admit the allegations therein so far as they pertain to the gasoline launch "Seven Bells," her engines, machinery and appurtenances, but as to the remaining allegations therein, allege that they have no information or belief concerning the same sufficient to enable them to make answer thereto, and placing their denial upon that ground, deny each and every one of such allegations. **[23]**

II.

Answering unto the second article in said Amended Libel, allege that they have no information or belief upon the matters therein set forth sufficient to enable them to answer the same, and placing their denial upon that ground, deny each and every one of said allegations.

III.

Answering unto the third article, allege that they have no information or belief upon the matters therein set forth sufficient to enable them to answer the same, and placing their denial upon that ground deny each and every one of said allegations.

IV.

Answering unto the fourth article of said Amended Libel, admit that at the times in said Amended Libel mentioned, said Halvorsen Transportation Company had hired and employed said gasoline launch "Seven

Bells" as a tow to tow the barge referred to in said article of the Amended Libel.

As to the remaining allegations in said article four, allege that they have no information or belief concerning the same sufficient to enable them to make answer thereunto, and placing their denial upon that ground deny each and every one of said remaining allegations.

V.

Answering unto the fifth article in said Amended Libel, allege that they have no information or belief upon the matters therein alleged sufficient to enable them to answer the same, with the exception of the allegation as to the laws of the State of California, and placing their denial upon that ground, deny each and every one of the said allegations with said exception, and allege that said excepted allegation in no way **[24]** appertains to the gasoline launch "Seven Bells" or her engines, machinery or appurtenances.

VI.

Answering unto article six in said Amended Libel, allege that they have no information or belief upon the matters therein set forth sufficient to enable them to answer the same, and placing their denial upon that ground deny each and every one of said allegations and call for strict proof thereof if the same be relevant; and allege that they and neither of them has or have any knowledge or information concerning the ownership of said goods or merchandise, nor concerning the value of the same, wherefore they

call for proof thereof if the same be relevant.

VII.

Answering unto the seventh article of the said Amended Libel, admit that said gasoline launch "Seven Bells" undertook to tow said barge with goods on board from San Francisco to San Rafael; deny that at the time said voyage was undertaken the weather was bad and stormy and unfit, or bad or stormy or unfit to make said voyage; deny that said gasoline launch was not of sufficient capacity or power to tow said barge at any or at such time; admit that the master of said launch took the said barge in tow laden with goods and proceeded on such voyage; deny that the master of said launch well or at all knew that said gasoline launch was not of sufficient capacity or power to tow said barge at any or such time; admit that upon arriving near San Rafael the master of said launch cast off the tow-line with which said launch was towing said barge, so that said launch could no longer tow the same; deny that said tow-line was negligently or carelessly or without any cause therefor cast off; admit that said barge drifted ashore by reason of the wind and sea, which were heavy and stormy, where the said barge was so separated from said launch; deny that said launch or the master thereof allowed said barge with the goods on board to drift with the wind and tide otherwise than as [25] herein expressly admitted; admit that said barge had no anchor-chain, but allege that said barge had on board an anchor line; admit that said barge was unable to anchor, for the reasons hereinafter specified; allege that they have no in-

formation or belief as to whether or not the whole of the goods mentioned in said libel became lost, for the reasons therein alleged, or as to whether any of such goods were delivered to any of the persons mentioned in said libel, or as to whether the same belong to any such persons, and placing their denial upon that ground deny the allegations with reference to said matters; and upon the last-named ground deny that any of the wheat belonging to Cheda & Company was delivered to it in damaged condition, or that when delivered it was of no ascertainable value.

Allege that the loss and damage referred to in said Amended Libel were caused solely and entirely by accident and by the act of God and the perils of the sea, in this, that said loss and damage were caused solely and entirely by the force of the winds and waves and perils of the sea, which, notwithstanding that due diligence had been exercised to make said gasoline launch in all respects seaworthy and properly manned, equipped and supplied, and notwithstanding that said *gasoline was* properly manned, equipped and supplied, rendered it necessary and imperative for the master to cast off the tow-line to said launch in order to save both said gasoline launch and said barge and the cargo thereon from immediate destruction; that there was no negligence whatever upon the part of said launch or her captain or her master or her crew; that said gasoline launch "Seven Bells" did not cast off said tow-line until it was rendered absolutely unsafe both to said launch and said barge and her cargo for it to remain longer between them; that upon the casting off of said tow-

line the master of said launch instructed the man upon said barge to immediately drop the anchor of said barge, and that said anchor was thereupon dropped and all of the anchor line payed out as necessary, but [26] owing to the violence of the wind and waves, and wholly without negligence on the part of the said gasoline launch "Seven Bells," her captain or crew, the anchor of said barge dragged and said barge was driven upon the shore by the wind and sea and became to some extent wrecked, and the goods on board said barge, if damaged at all, were damaged by reason thereof; that the aforesaid course pursued by the master of said gasoline launch was a safe and proper course to pursue under the circumstances, and the only safe and proper course to pursue thereunder for the safety and preservation of said barge and of said goods thereon and of said launch; that had said course not been pursued said barge, said goods and said launch would have been immediately wholly destroyed, and that said course was pursued as the only available one for the purpose of saving said launch and the goods thereon.

That they have no knowledge or information in respect to the amount of goods lost, nor the condition of the goods delivered, nor the condition in which said goods were shipped, wherefore they call for full proof thereof, if the same be relevant.

VIII.

Answering unto the eighth article of said Amended Libel, allege that they have no knowledge or information with respect to the matters therein al-

leged, and placing their denial upon that ground deny each of said allegations and call for proof thereof if the same be relevant.

IX.

Answering unto the ninth article of said Amended Libel, admit the jurisdiction of this Court, but deny that all and singular of the terms of said libel are true except as hereinbefore specifically admitted.

WHEREFORE claimants pray that said libel be dismissed and [27] for their costs incurred therein, and for such other and further relief as may seem just and proper.

I. F. CHAPMAN,
ANDROS & HENGSTLER,
GOLDEN W. BELL,
Proctors for Claimant.

State of California,
City and County of San Francisco,—ss.

A. H. Gilmore, being first duly sworn, says that he is one of the claimants herein of the gasoline launch "Seven Bells," her engines, machinery and appurtenances; that he has read the foregoing Auswer and the same is true except as to those matters therein stated on information or belief and as to those matters he believes it to be true.

A. H. GILMORE.

Subscribed and sworn to before me, this 24th day of August, 1914.

CHARLES R. HOLTON,
Notary Public in and for the City and County of San Francisco, State of California.

[Endorsed]: Filed Aug. 24, 1914. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. **[28]**

In the District Court of the United States, in and for the Northern District of California, First Division.

V. J. B. CHEDA,

Libelant,

vs.

HALVORSEN TRANSPORTATION COMPANY et al, etc.,

Respondents.

(Deposition of Charles Rolling Codding [for Respondent].)

BE IT REMEMBERED, that on Thursday, January 28th, 1915, pursuant to stipulation of counsel hereunto annexed, at my office, Room 308 of the United States Courthouse and Postoffice Building, Seventh and Stevenson Streets, in the city and county of San Francisco, State of California, personally appeared before me, Francis Krull, a United States Commissioner for the Northern District of California, to take acknowledgments of bail and affidavits, etc., Charles Rolling Codding, a witness produced on behalf of respondents.

H. W. Hutton, Esq., appeared as proctor for the libelant, I. F. Chapman, Esq., Messrs. Andros & Hengstler, Golden W. Bell, Esq., for the launch "Seven Bells," and O. K. Grau, Esq., and Ira S. Lillick, Esq., for the respondents, and the said witness having

(Deposition of Charles R. Codding.)

been by me first duly cautioned and sworn to testify the truth, the whole truth and nothing but the truth in the cause aforesaid, did thereupon depose and say as is hereinafter set forth, [29]

(It is hereby stipulated and agreed by and between the proctors for the respective parties, that the deposition of the above-named witness may be taken *de bene esse* on behalf of the respondents at the office of Francis Krull, Room 308 of the United States Courthouse and Postoffice Building, Seventh and Stevenson Streets, in the city and county of San Francisco, State of California, on Thursday, January 28th, 1915, before Francis Krull, a United States Commissioner for the Northern District of California, and in shorthand by Herbert Bennett.

It is further stipulated that the deposition, when written out, may be read in evidence by either party on the trial of the cause; that all questions as to the notice of the time and place of taking the same are waived, and that all objections as to the form of the questions are waived unless objected to at the time of taking said deposition, and that all objections as to materiality and competency of the testimony are reserved to all parties.

It is further stipulated that the reading over of the testimony to the witness and the signing thereof is hereby expressly waived.) [30]

CHARLES R. CODDING, called for the respondents, sworn.

Mr. LILLICK.—Q. What is your full name?

(Deposition of Charles R. Codding.)

A. Charles Rolling Codding.

Q. What connection, if any, have you with the Halvorsen Transportation Company?

A. Small stockholder at the present time, one share.

Q. Upon the 30th day of December, 1913, the day before the loss of the goods upon the barge "Seven Bells," what was your connection with the Halvorsen Transportation Company?

A. I was acting manager for the San Francisco end.

Q. Where was the office of the Halvorsen Transportation Company in San Francisco?

A. Jackson Street bulkhead.

Q. Do you remember the occasion of the loss, as to what time it took place?

A. The time the boat was wrecked?

Q. Yes.

A. Well, only by telephone; it would be around 11 or 12 o'clock.

Q. Of what day; do you remember the day?

A. No, I could not recall the day.

Q. It was in the latter part of December, 1913?

A. The latter part of the year; I think the last day of the year.

Q. Do you know what time the launch and the barge started from San Francisco?

A. Only from hearsay; around about 8 o'clock.

Q. Do you remember that there was a storm upon the day before? A. Yes, sir.

Q. And what was the situation after that storm

(Deposition of Charles R. Codding.)

had arisen upon the day before with reference to the launch and the barge leaving San Francisco? **[31]**

A. We loaded the barge, got it loaded about seven o'clock in the evening,—

Mr. HUTTON.—All that is in evidence; that has all been proved; there is no contradiction of that, that she loaded the night before and put back and anchored at the sea wall; there is no contradiction to that.

A. (Contg.) —I told the captain not to leave until the weather had moderated; not to leave in the storm.

Mr. LILLICK.—Q. About what time was that you told the captain?

A. Along about seven o'clock in the evening.

Q. Of the day before the loss?

A. Yes, sir, the day before.

Q. Who was the captain to whom you gave that instruction? A. Gillmore.

Q. What did you do then; did you go home?

A. Home.

Q. Upon that night, or upon the following morning, did you receive any message over the telephone or otherwise from San Rafael with reference to the weather? A. No, sir.

Q. Upon the following morning, that is, upon the morning of the day the loss occurred, did you receive any telephone message or otherwise other message from San Rafael with reference to the weather, or with reference to the launch and the barge?

A. Only after 9 o'clock when I arrived at the office

(Deposition of Charles R. Codding.)

I called up the San Rafael office to see if the barge had landed in San Rafael.

Q. Did you know anything prior to that time about what time the launch started from San Francisco in the morning?

A. No, sir. I tried to find out from the watchman and the watchman did not know because they had left from another wharf.

Q. And did the watchman tell you from what wharf they had left? **[32]**

A. No, sir; he did not know that.

Q. Did you attempt to find out from what dock they were leaving?

A. Mr. Gilmore said himself they were leaving from the end of Pier 5; that is next pier to us out at the end.

Q. When did he tell you that?

A. The next time I saw him; within a day or two in San Rafael.

Q. And you knew nothing about it that night?

A. No, sir.

Q. And you knew nothing until you telephoned over to San Rafael?

A. When Mr. O'Brien told me.

Q. When Mr. O'Brien told you? A. Yes, sir.

Q. What time did that conversation occur?

A. That occurred between 10 and 11 o'clock; something of that kind.

Q. Did Mr. O'Brien over the telephone say anything to you about having telephoned to you to your house that morning early? A. No, sir.

(Deposition of Charles R. Codding.)

Q. Did he say anything at all about having tried to reach you before the conversation that you had with him at that time? A. No, sir.

Cross-examination.

Mr. HUTTON.—Q. Who were the stockholders in the Halvorsen Transportation Company?

Mr. LILLICK.—Objected to on the ground the books are the best evidence. I do not think we need go into that. If there is any question about that we will take it up later; certainly this witness cannot testify about it.

Mr. HUTTON.—Q. How much did you own?

A. One share.

Q. Do you know who owned the rest, of your own knowledge?

A. I do not know about the exact shares that they owned.

Q. Do you know about how much your brother owned? A. At that time? **[33]**

Q. Yes.

A. No, sir; I do not. I know what he owns now.

Q. Did you own one share at that time personally?

A. Me?

A. Yes. A. Yes, sir.

Q. Never owned any more?

A. Never owned any more; no, sir.

Q. Did you have a launch called the "Gray Eagle"? A. "Golden Eagle."

Q. Where was she at that day?

A. Tied at the wharf.

Q. Did she stay there all night?

(Deposition of Charles R. Codding.)

A. Stayed there all night.

Mr. HUTTON.—That is all.

Mr. CHAPMAN.—Q. How big a boat was this "Golden Eagle"?

A. About 50 foot and 13-foot six beam.

Q. What horse-power? A. 70.

Q. What business was she engaged in at the time of this wreck?

A. Towing business; barging business for heavy freighting.

Q. Did she ever tow to San Rafael?

A. Yes, sir, she has been to San Rafael once or twice; she is too deep draught though.

Q. Too deep to get in? A. Yes, sir.

Mr. CHAPMAN.—That is all.

United States of America,
State and Northern District of California,
City and County of San Francisco,—ss.

I certify that in pursuance of the stipulation hereunto annexed, on Thursday, January 28th, 1915, before me, Francis Krull, a United States Commissioner for the Northern District of California, at San Francisco, at my office, room 308 of the United States Courthouse and Postoffice Building, Seventh and Stevenson Streets, in the city and county of San Francisco, State of [34] California, personally appeared Charles Rolling Codding, a witness called on behalf of the respondents in the cause entitled in the caption hereof, and H. W. Hutton, Esq., appeared as proctor for the libelant, I. F. Chapman, Esq., Messrs. Andros & Hengstler, Golden W. Bell,

Esq., appeared for the launch "Seven Bells," and O. K. Grau, Esq., and Ira S. Lillick, Esq., appeared as proctors for the respondents; and that the said witness being by me first cautioned and sworn to testify the truth, the whole truth and nothing but the truth in said cause, deposed and said as appears by his deposition hereto annexed.

I further certify that the said deposition was then and there taken down in shorthand notes by Herbert Bennett, and thereafter reduced to typewriting; and I further certify that by stipulation of the proctors the reading over of the deposition to the witness and the signing thereof was expressly waived.

And I do further certify that I have retained the said deposition in my possession for the purpose of delivering the same with my own hand to the clerk of the United States District Court for the Northern District of California.

I do further certify that I am not of counsel, nor attorney for either of the parties in said deposition and caption named, nor in any way interested in the event of the cause named in the said caption.

IN WITNESS WHEREOF, I have hereunto set my hand at my office aforesaid, this 29th day of January, 1915.

[Seal] FRANCIS KRULL,
U. S. Commissioner, Northern District of California, at San Francisco.

[Endorsed]: Filed Jan. 29, 1915. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. [35]

(Testimony Taken in Open Court.)

In the District Court of the United States, in and for the Northern District of California, First Division.

Before Hon. MAURICE T. DOOLING, Judge.

No. 15,594.

V. J. B. CHEDA,

Libelant,

vs.

HALVERSEN TRANSPORTATION COMPANY,

Respondent.

Monday, January 25, 1915.

Counsel Appealing:

For Libelant: H. W. HUTTON, Esq.

For Respondent: GOLDEN W. BELL, Esq., IRA S. LILLICK, Esq., I. F. CHAPMAN, Esq.

[Statement of Proctor for Libelant.]

Mr. HUTTON.—This is an action, if your Honor please, brought by Mr. Cheda, the assignee of several merchants and others who are doing business in San Rafael, for damages for loss of certain cargo shipped from San Francisco to San Rafael and carried on a [36] boat that was operated by the Halversen Transportation Company, and towed by a vessel called the "Seven Bells." Our contention is that the weather was bad at the time, and the master should not have left San Francisco under the circumstances. The proof we expect to show is that the weather was threatening in the morning,

and he could have expected bad weather at that time in the morning, and he left and started over when he should not have started. The towboat was not of sufficient power to handle the barge, and the result was they got into a storm, drifted past San Rafael, the towboat got lost, the barge went ashore, some of the cargo was washed overboard, some went on the rocks, and quite a quantity of it was stolen afterwards through the negligence of the Helvorsen Transportation Company, and some they sold and kept the money. The understanding was originally. I think, that we should just simply try the question as to whether there was any liability here, because there are a number of different claims, as to whether, under any circumstances, there would be any liability, and if your Honor should determine there was, that then the other question should go to the commissioner for proof. The answer practically admits the receipt of the cargo.

Mr. BELL.—I would like to make a brief statement, your Honor. Mr. Chapman and myself represent the hull and the engine on the vessel, and Mr. Lillick represents the transportation company. The facts were that the barge upon which the cargo was loaded was being towed by the launch, and both the Halversen Transportation Company and the towboat which was towing the barge are being sued here by cargo owners, a triangular situation.

[Testimony of Joe Silva, for Libelant.]

JOE SILVA, called for the libelant, sworn. [37]

Mr. LILLICK.—Mr. Hutton, will you admit the incorporation of the Halversen Transportation Company?

Mr. HUTTON.—It is pleaded and not denied.

Mr. LILLICK.—It is admitted that the Halversen Transportation Company is a corporation.

Mr. HUTTON.—Q. What is your name?

A. Joe Silva.

Q. What has been your occupation?

A. Working on steamboats.

Q. You knew this barge, the Halversen Transportation Company's barge? A. Yes, sir.

Q. You worked on her at one time?

A. I worked there about three or four months, yes.

Q. You have met with an accident since then, have you? A. Yes, sir.

Q. At that time you had both of your lower extremities, your legs? A. Yes, sir.

Q. What were you doing on that barge?

A. Deckhand man.

Q. Where did the barge run at the time you were on her, where did she go to?

A. Going to San Rafael. We go all over the pick up freight on the seawall and at other places.

Q. Do you remember the time the barge went ashore? A. Yes, sir.

Q. Where had you left her before she went ashore, what place did the barge go from?

A. From Point Pedro, McNear's Point.

(Testimony of Joe Silva.)

Q. Where did she lie?

A. About half a block from shore.

Q. Had you been in San Francisco before that?

A. Yes, I had been in San Francisco before that.

Q. When were you in San Francisco before the barge went ashore?

The COURT.—Q. Did the barge start from San Francisco?

A. Yes, sir; she started from San Francisco. She started the night before. She could not make it, and she had to come back.

Mr. HUTTON.—Q. What place did you start from? A. From the seawall. [38]

Q. Had you been at any other wharf before that?

A. Yes, at the Jackson Street bulkhead.

Q. At the Jackson Street wharf did you take on any cargo? A. Yes, sir.

Q. When did you commence to take on cargo, at what time? A. In the afternoon.

Q. Of the day before the barge was lost?

A. Yes, sir.

Q. Do you remember what day that was?

A. Yes, sir.

Q. What date was it?

A. On the 30th, one year from last December.

Q. On the 30th of December, the year before last?

A. Yes, sir.

Q. How much cargo did you take aboard?

A. We had some wheat, some groceries, and meat and beer and whisky, all kinds of stuff inside, and some wheat, too.

(Testimony of Joe Silva.)

Q. Did you have much cargo?

A. Yes, she had a pretty good load.

Q. How much is a good load? A. I don't know.

Q. Was the barge a large barge, or a small barge?

A. A pretty big barge.

Q. What time of the day was it you left Jackson Street wharf?

A. About seven o'clock in the evening.

Q. And where did you go?

A. We went off Alcatraz, and it was pretty bad weather, and we had to come back again, and made the barge fast to the seawall and left next morning about half-past seven or eight o'clock.

Q. How far out did you get before you came back to the seawall? A. Alcatraz.

Q. What made you come back, why did you come back? A. We came back to the seawall again.

Q. What for?

A. Because it was rough that night.

Q. What time did you get back to the seawall?

A. About ten o'clock or half-past ten, I don't know exactly what time.

Q. And you tied up at the seawall?

A. Yes, sir. [39]

Q. How was the weather when you tied up?

A. It was rough, it was pretty heavy.

Q. How was it the next morning?

A. It looks pretty bad. After we left there, the wind started pretty strong again.

Q. When you left the seawall the next morning, did you have any talk with the captain of the tow-boat? A. Yes, I talked to the captain.

(Testimony of Joe Silva.)

Q. At what time?

A. About half-past seven or eight o'clock.

Q. What did you say to him?

A. I asked the captain if he thought he could make it on that kind of weather, and he said, "Yes, I think I can make it, because daytime is better than night-time, I think I will make it"; and he said, "Let go the lines." and I let go the lines. After he left there the wind started pretty strong again.

Q. How was the sea at the time you left the seawall? A. It looks bad, like the night before.

Q. How was the wind?

A. There was a little wind; she ain't very strong at that time.

Q. What direction was it blowing from, what way was it coming, was it a west wind, a norther wind or south wind? A. A southeast.

Q. When you left the seawall, what towboat towed you? A. "Seven Bells."

Q. Who was the captain?

A. Captain Gilmore. I don't know his right name, but I think he told me it was Captain Gilmore.

Q. Was he the man you talked to about the weather? A. Yes, sir.

Q. Did you start across the bay?

A. Yes, he started across,

Q. How did you get along?

A. He got along pretty near all right for the first couple of hours; after about nine o'clock or half-past nine the wind was pretty strong. [40]

Q. How far had you got then?

(Testimony of Joe Silva.)

A. We came pretty near across the San Rafael Flats.

Q. What part of the waters were you in then?

A. In San Rafael Flats.

Q. Yes, but were you in San Pablo Bay or San Francisco Bay when you got to the San Rafael Flats? A. San Francisco Bay.

Q. When you got over there, how was the wind, was it stronger or weaker than it was when you left the seawall? A. It was pretty strong.

Q. How was the sea? A. It was pretty rough.

Q. Is there much water there at those San Rafael flats?

A. No. Sometimes you have about four or five feet of water there. There is a little channel there, and that is all. You have to heed the tides, so you can make it.

Q. How close did you get to shore while the towboat had hold of you?

A. You mean on the San Rafael flats?

Q. Did the towboat finally let go of your barge?

A. Yes, sir.

Q. How close to the shore were you then?

A. About half a block or a block from shore.

Q, How did you get in so close to the shore? How did you come to get in so close?

A. The captain would know, because he was running the towboat.

Q. When you got within half a block or a block, as you say, of the flats, what, if anything, did the towboat do? A. That is more than I can tell you.

(Testimony of Joe Silva.)

Q. In what way?

A. About one block from the shore the captain said to throw the tow-line overboard, the lines.

Q. On the towboat end? A. Yes, sir.

Q. How long was the tow-line?

A. About 50 or 70 feet, or something like that.

[41]

Q. Whereabouts were you then with reference to San Rafael, had you passed San Rafael, or were you on the San Francisco side of San Rafael?

A. We were pretty near to San Rafael, we were right near the marine locks there.

Q. I mean, were you on the other side of San Rafael or on the San Francisco side of San Rafael?

A. We went on the other side, the Petaluma side, about 100 feet.

Q. What made the barge get so close to the shore?

A. I don't know. It was pretty rough; that is all I can tell you.

Q. Could the towboat haul the barge up against the sea?

A. Yes, the towboat I don't think is strong enough in that kind of weather.

Q. I ask you, did she hold the barge up against the sea on that occasion? Did you drift any while the towboat had hold of you?

A. Drift—what do you mean, did we go on the rocks?

Q. Did the barge pull the towboat, or did the towboat pull the barge?

A. The towboat pulled the barge up to San Rafael.

(Testimony of Joe Silva.)

Q. Was she able to hold the barge up against the sea? A. Yes, sir.

Q. Well, did she hold it up?

A. No, the barge dragged from one side to the other.

Q. Was the towboat able to hold her then in the sea? A. I don't know.

Q. After the towboat let go of the hawser, what became of the barge?

A. The wind blowed her on top of the rocks.

Q. Did you have any anchor? A. Yes, sir.

Q. Any anchor chain?

A. No, sir; no chain at all.

Q. Did you drop the anchor over?

A. I took the rope and made it fast and dropped the anchor overboard.

Q. How long did it take you to fasten the rope?

A. Well, it took me about five minutes or ten minutes.

Q. To anchor?

A. Yes; I threw the anchor overboard. [42]

Q. And then you dropped the anchor over?

A. We could not save the barge, because she was pretty near on top of the rocks already.

Q. How big a rope was it you tied to the anchor?

A. About a 25 or 40 foot rope.

Q. How big around was it?

A. About 5 or 6 inches, I guess.

Q. How heavy was the anchor?

A. About 150 or 175 pounds.

Q. When the barge went on top of the rocks, what

(Testimony of Joe Silva.)

became of the cargo?

A. The cargo pretty near got overboard, pretty near all the stuff went overboard.

Q. What happened to you, what did you do?

A. I stayed on board the barge; I stayed at the head of the barge.

Q. Did you stay there all the time?

A. About three-quarters of an hour, or something like that.

Q. Then what did you do?

A. Then I jumped overboard and swam ashore and tried to save my life, because the barge was pretty near all smashed up, everything went overboard.

Q. Had all the cargo got off the vessel at that time?

A. No, sir; some stuff stayed inside, some wheat and some other kind of stuff.

Q. How hard was it blowing at that time?

A. Pretty strong. It was pretty rough at that time.

Q. Did it make much sea? A. You bet.

Q. What became of the towboat?

A. I guess he went to San Rafael.

Q. Did you see her again that day?

A. I seen her that day in San Rafael.

Q. How long did you stay where the barge was after you swam around?

A. I stayed ashore about an hour. [43]

Q. Then where did you go?

A. I didn't know that place, I had never been to

(Testimony of Joe Silva.)

that place before; I stayed there and I seen a man coming and I asked him, "What place this is?" and he said, "McNear's Point." I said, "Any place I can telephone to San Rafael?" And he said, "Yes; you go in the office in the brickyard and telephone." I went there and asked the man to make a telephone to San Rafael and he said, "Yes," and I said, "I will telephone to San Rafael Transportation," and he told Mr. O'Brien up there to come and get me because I am all sick and wet.

Q. Who is Mr. O'Brien?

A. He is working the office.

Q. What office?

A. In the San Rafael Transportation.

Q. You mean the Halversen Transportation?

A. Yes, sir.

Q. Did Mr. O'Brien come to the barge?

A. He came down and brought a couple of wagons.

Q. Did you go to San Rafael, or did you go back to the barge?

A. I was there at the brickyard for a couple of hours; as soon as Mr. O'Brien came down and he saw the barge on top of the rocks, he could not get on the barge because it was all full of water, and there were rocks there.

Q. When did you last see the barge on the rocks? Were you around there the next day?

A. Yes, I went there the next day, too.

Q. What became of the cargo?

A. The rest of the stuff—he took a car down there, he was going to get the rest of the stuff, he got some

(Testimony of Joe Silva.)

wheat and something of another kind of stuff inside.

Q. What became of the rest of it, if you know? Did you see any of the cargo up at the brickyard?

A. No, I seen it in the water.

Q. What time did the barge go ashore?

A. About 12 or half-past 12.

Q. Was it raining?

A. Yes, it rained pretty strong, too.

Q. Was it raining when you left that morning?

A. No, no rain at [44] all; it started to rain at nine o'clock, or something like that.

Q. Was it raining hard or otherwise?

A. Pretty strong.

Q. Was it raining the night before? A. No.

Q. Was the sea heavy enough to wash over the barge? A. Sure.

Q. Did it wash over the barge when the "Seven Bells" was towing her, before you went ashore?

A. Yes, sir.

Q. At what place did the sea commence to wash over the barge, where was the barge then?

A. It was going through above.

Q. After you left San Francisco, how far had you got when the sea first began to wash over the barge?

A. We got about to California City.

Cross-examination.

Mr. LILLICK.—Q. You say the water washed over the barge first when you got to California City. How far is California City from where she went ashore?

A. I don't know, I can't tell, but about six or seven

(Testimony of Joe Silva.)

miles, something like that.

Q. You think six or seven miles?

A. Something like that; I don't know.

Q. When you were going across the bay, here, none of the waves washed up on board, did they? Between the seawall and Alcatraz washed up on the barge? A. It came on the left side.

Q. But that was not until you got up by California City, was it? A. Yes, by California City.

Q. Up to that time you went along all right?

A. Yes, sir.

Q. The barge was a good barge, wasn't she?

A. Yes, sir.

Q. Pretty nearly new? A. Yes, sir.

Q. Didn't leak at all? A. No.

Q. How long had you worked on her before this happened? A. About three or four months.

Q. During the three or four months you went over there every day, didn't you? A. Yes, sir. [45]

Q. And sometimes came back at night?

A. Yes.

Q. During all that time she never leaked at all?

A. No, sir.

Q. That barge had a little house on it?

A. Yes, sir.

Q. And the cargo was inside that house?

A. Yes, sir.

Q. Covered over so that water could not get in?

A. It is covered over in front, but she had a door.

Q. And with a big space in front for wagons to be on? A. Yes, sir.

(Testimony of Joe Silva.)

Q. You said that the rope on the anchor was 5 or 6 inches big. What do you mean by 5 or 6 inches—show us?

A. About that big around. (Indicating.)

Q. You could tie a knot in it very easily, couldn't you? A. Yes, sir.

Q. Are you sure it was only 25 or 40 feet long?

A. About that.

Q. Wasn't it long enough so that it went out quite a long distance after you threw the anchor over?

A. We didn't use that for anchor; we only used that to make the barge fast.

Q. You said it took you about 5 or 10 minutes to drop that anchor over. Do you mean that, that it took you 5 or 10 minutes to drop the anchor over?

A. Yes, sir.

Q. Where was the anchor on the barge?

A. In front.

Q. What did you have to do—just to lift it up and drop it over?

A. No, sir, I had to make the rope fast and roll it up, because it was about 3 or 4 feet.

Q. You just rolled it over? A. Yes, sir.

Q. You took it up first on one side and then on the other and threw it overboard? A. Yes, sir.

A. A very heavy anchor, wasn't it?

A. Yes, about 150 or 175 pounds.

Q. That is what you think about it?

A. Yes, sir.

Q. You don't know that, though, do you?

A. No, sir. [46]

(Testimony of Joe Silva.)

Mr. BELL.—Q. During the time you were on that barge, had the "Seven Bells" been towing her?

A. Yes, sir.

Q. On other trips? A. Yes, sir.

Q. All the time you were on that barge, did the "Seven Bells" tow her? A. No.

Q. What other boat beside the "Seven Bells" towed her?

A. I don't know; at the time I was working, the "Seven Bells" towed her.

Q. At the time you were working there the "Seven Bells" towed her? A. Yes, sir.

Q. The "Seven Bells" towed her from San Francisco to San Rafael during all that time?

A. Yes, sir.

Q. The "Seven Bells" was a good boat?

A. She looked like a pretty good boat.

Q. Did you ever go ashore before this time?

A. No.

Q. That was the first time? A. Yes.

Q. Between San Francisco and Alcatraz Island on this trip, you didn't have any trouble, did you?

A. No.

Q. Everything went all right until you got to California City? A. Yes, sir.

Q. And then the wind came up very heavy?

A. Yes, sir.

Q. Very suddenly? A. Yes, sir.

Q. It was an extraordinary wind, was it not, a very hard wind? A. Yes, pretty strong.

Q. Stronger than usual, wasn't it?

(Testimony of Joe Silva.)

A. No fooling.

The COURT.—Is California City on the Marin County shore?

Mr. LILLICK.—It is the coaling station for the Government.

Mr. CHAPMAN.—You don't object to using the official chart of San Francisco Bay, do you, Mr. Hutton?

Mr. HUTTON.—No.

Mr. CHAPMAN.—Here is the seawall; here is Alcatraz; here is California City. [47]

Mr. BELL.—Q. Had you ever seen as hard a wind as this before over there?

A. Yes, I seen more than that, but I did not work on that barge.

Q. You did not work on that barge?

A. No. At the time I worked on the barge that was the strongest one I catched there.

Q. That was an unusual wind, wasn't it?

A. Yes, sir.

Q. At the time you left San Francisco it was about seven o'clock that morning?

A. Seven or eight o'clock, or something like that.

Q. And at that time it was not raining?

A. No, sir.

Q. Was it cloudy? A. Yes, sir.

Q. But there was no wind at that time?

A. Just a little, not much.

Q. Just a little breeze? A. Just a little breeze.

Q. And there was no stronger wind until you got to Alcatraz, was there? A. No.

(Testimony of Joe Silva.)

Q. And until you got to California City there was no strong wind?

A. We went pretty good to California City.

Q. What time did you get to California City?

A. About nine or half-past nine.

Q. And then when you got to California City suddenly the stronger wind came up? A. Yes, sir.

Q. And the seas began to wash over the barge?

A. Yes, sir.

Q. From California City you went on toward the mouth of San Rafael slough? A. Yes, sir.

Q. Will you show us on the map where San Rafael slough is. A. I cannot tell you.

Q. You are not familiar with this map? A. No.

Q. Do you recognize this as the San Rafael Creek, and these as the Marin Islands, and this as McNear's Point?

The COURT.—If the witness is not familiar with the map he cannot give us much information about it. [48]

Mr. BELL.—Q. How close did you get to the mouth of San Rafael Creek?

A. About to the Marin rocks.

Q. Which side of the Marin rocks did you come in there on? A. On the right side.

Q. That is toward the bay from the rocks, or toward the shore from the rocks?

A. The rocks are on this side.

Q. Did you come between the rocks, and the mouth of San Rafael Creek?

A. No, you go on this side.

(Testimony of Joe Silva.)

Q. That is, on the outside of the Marin rocks?

A. Yes, sir.

Q. Are you sure of that? Are you sure you did not come between Marin rocks and the mouth of San Rafael Creek?

A. No, no. The creek is on this side and Marin rocks are on this side.

The COURT.—Q. Did you go between them?

A. We went on this side.

Mr. BELL.—Q. Let us say this is the creek, and this is Marin rocks, on which side did you go?

A. On this side.

Q. That is, between the two?

A. There was one on this side and one on this side.

Q. This is San Rafael Creek, and this is Marin rocks; you came between them, did you? A. Yes.

Q. How close did you get to the mouth of San Rafael Creek? You were nearer the mouth of the creek than you were to the Marin rocks, weren't you?

A. Yes, sir.

Q. About how far from the mouth of San Rafael Creek were you at the nearest time?

A. About two or three blocks, I guess, two blocks.

Q. Why couldn't you go in there to San Rafael Creek? A. I don't know.

Q. Did you see the condition there?

A. I don't know nothing about it. [49]

Q. You didn't look to see what the condition was in the mouth of the creek?

A. I seen the wind was blowing pretty strong, it

(Testimony of Joe Silva.)

was pretty rough, and I seen the captain going on the other side.

Q. You knew when you started out that you were going to San Rafael? A. Yes, sir.

Q. It is very shallow around the mouth of the creek, is it not?

A. Yes, you have to wait sometime for the tide.

Q. How was the tide at the time you were off the mouth of the creek? A. The tide that day?

Q. Yes. A. I don't know.

Q. You don't remember?

A. No, but it was a flood tide.

Q. How wide is the channel going into San Rafael Creek? A. About 4 or 5 feet.

Q. And on each side of that there are flats?

A. Yes, sir.

Q. You went up the mouth of San Rafael Creek?

A. On that day?

Q. You didn't go in it, but you went by it?

A. We went on this side.

Q. Where did you go ashore?

A. On McNear's Point.

Q. How far from the end of that point did you go ashore?

A. They call that place McNear's Point. I was never there before, and I don't know much about that place.

Q. You had never been there before? A. No.

Q. How near did you go to the Marin Islands?

A. Between the rocks.

Q. You mean you went between one of those rocks

(Testimony of Joe Silva.)

and the other rock?

A. Yes, from the other side; I guess he went between those rocks.

Q. You don't mean that you went between the two rocks, do you? You didn't go between the two Marin rocks?

A. I guess he did. I don't know for sure. I think he went between those two rocks. [50]

Q. When the tow-line was dropped, which end of it was dropped? A. The end to the boat.

Q. The end that was on your boat?

A. No, the end that was on the towboat.

Q. Did you haul in that line, then?

A. No, I didn't touch that line at all, I left it drag.

Q. Did the captain say anything to you before he dropped it? A. He never said anything.

Q. Are you sure of that? A. Yes, I am sure.

Q. What were you doing at the time he dropped that?

A. I took the line and tried to make fast to the anchor, and I dropped the anchor overboard.

Q. Had you started to make that line fast to the anchor before they dropped you? A. No.

Q. How soon did you know that you had been dropped after they let the line go?

A. About five or ten minutes.

Q. You didn't know you had been dropped for five or ten minutes?

The COURT.—He means he dropped the anchor five or ten minutes afterwards.

Mr. BELL.—Q. How long was it between the time

(Testimony of Joe Silva.)

they left the line loose on the launch and the time you knew about it?

A. I saw them turn it loose.

Q. And then you went and made the line fast to the anchor and dropped the anchor over?

A. Yes, sir.

Q. If the anchor had held, would you have been all right?

A. At the time I dropped the anchor overboard, I didn't have much time, and as soon as I made the line fast the barge was on top of the rocks already.

Q. How long was this line that you attached to the anchor? A. About 30 or 40 feet long.

Q. Was that the only line on the boat?

A. Yes, one forward and [51] one astern.

Q. And the anchor was let go from the stern of the boat, was it? A. No, at the head.

Q. At the head of the boat? A. Yes, sir.

Q. How long after the anchor had been let go by you was it before the boat got ashore?

A. The barge?

Q. Yes. A. In about 100 feet.

Q. Before you let the anchor go, had the barge been pounding on the bottom?

A. Yes. At the time I left the anchor go overboard the barge was on top of the rocks already.

Q. How long before that had it touched bottom? Before you put the anchor out had the barge touched bottom?

A. No; just when I dropped the anchor I seen the barge on the rocks already.

(Testimony of Joe Silva.)

Q. If the launch had not dropped the line, the launch and the barge both would have gone ashore, would they not?

Mr. HUTTON.—That is purely speculative.

A. I don't know; that is more than I can tell you.

Q. How many trips did you make when the "Seven Bells" was towing that barge?

A. I don't know how many.

Q. But for about four months?

A. For about three or four months.

Q. How many trips did you generally make in a day? A. One trip a day.

Q. Almost every day?

A. Almost every day. Sometimes, if we missed one, we might make one in the daytime and one in the night-time, because we had to wait for the tide.

Q. When Mr. Gilmore was talking to you on the morning you left San Francisco, what did you say to him?

A. I said, "Do you think you are going to make it"? And he said, "Yes, I guess I can make it, because I can go better in the daytime than in the night-time." [52]

Q. Everything at that time looked all right?

A. Yes, it looked good.

Q. It looked good?

A. Yes, it looked good that morning.

Redirect examination.

Mr. HUTTON.—Q. Where did you say the anchor was at the time you made the line fast to it?

A. It was on top of the barge.

(Testimony of Joe Silva.)

Q. Was there anything on top of it?

A. No, nothing on top of it.

Q. Was the line clear?

A. Yes, the line was clear.

Q. How high was this house that was on the barge; was it a big house, or a small house?

A. A pretty big house.

Q. How long was the house? Was it as long as the barge?

A. I don't know, but about 30 or 40 feet, or something like that.

Q. It was not as long as the barge, then?

A. No. There was a place on front to put some wagons; there was a place astern to sleep.

Recross-examination.

Mr. BELL.—Q. You didn't hear anybody shout to you or call to you before you dropped the anchor?

A. No, no.

Q. Where were you just before you dropped the anchor? A. I was aboard the barge.

Q. What part of the barge? A. The front.

Q. Were you looking at the launch?

A. Yes, sir.

Q. You didn't hear anybody shout? A. No.

Q. The wind was making a big noise, wasn't it?

A. The wind was pretty strong.

Q. And the sea was also making a big noise—it washing? A. Yes.

Q. Why did you drop the anchor?

A. To try and save the barge.

(Testimony of Joe Silva.)

The COURT.—It was the most harmless thing he could have done at the time, I guess.

Mr. BELL.—That is all.

[Testimony of Henry C. Peterson, for Libelant.]

HENRY C. PETERSON, called for the libelant, sworn. **[53]**

Mr. HUTTON.—Q. What is your occupation?

A. Launchman, launch owner.

Q. Towboating? A. Towboating.

Q. How long have you been in that business?

A. I have been for about 29 years.

Q. Around San Francisco?

A. I have been around San Francisco 52 years.

Q. Did you ever tow over to San Rafael?

A. I have, yes.

Q. You towed barges over there? A. Yes.

Q. How long ago?

A. I have not towed a barge over there myself for a number of years, but I am sending them over there right along off and on.

Q. How many towboats do you control now?

A. 14.

Q. You are familiar with the waters up and around San Rafael, are you not? A. Pretty well.

Q. Where is the nearest point? Can you mark it on that map? A. Right in here.

Q. Just put a cross there. Where is the mouth of San Rafael Creek? A. Right in here.

Q. Just put a mark there. With respect to this dotted portion of the map here, what is that?

A. That is shoal.

(Testimony of Henry C. Peterson.)

Q. How much water is there there?

A. At a very high tide there is about six feet; at low tide about 4½ feet.

Q. What effect does shoal water have on the sea when there is a wind blowing?

A. It is just like boiling water.

Q. It makes it rough? A. Very rough, yes, sir.

Q. With a southeast wind what effect does it have on that locality over there?

A. It is a very nasty place to get into, it is very rough.

Q. Take it from the month of November on up to, say February or March of the next year, what kind of weather can you generally [54] figure on getting around San Francisco Bay?

A. I generally figure that from about the middle of November to the middle of January you generally get northeast winds; every once in a while a southeaster between it.

Q. Are you likely to have storms, or not?

A. Yes; you cannot depend on the weather for one minute at this time of the year, from November to April.

Q. Is the weather over on the seawall in San Francisco any indication of what it is likely to be over in San Rafael?

A. Not always. It is according to what weather you start out with, whether it is a northwesterly or a southwesterly or a southeasterly or a northeasterly.

Q. Does a southeast wind have a full sweep in there toward San Rafael?

(Testimony of Henry C. Peterson.)

A. Yes, you have the whole bay in there.

Q. What Bay? A. San Francisco Bay.

Q. Any obstruction there, or is there an unobstructed passage, that is, of the wind, down into those shores?

A. There is no obstruction at all; it has a clean sweep right in there.

Q. Does a southeast wind make it very rough in there? A. Very, very rough.

Q. McNear's Point is beyond San Rafael, is it not?

A. It is beyond San Rafael, yes.

Q. Do you know this barge of the Halversen Transportation Company that the last witness testified to? A. I have seen her.

Q. Was she a large barge, or a small barge?

A. She is quite a large barge; I don't know just how large she is.

Q. What effect, if any, would the wind have upon a house that was located on such a barge, would it make it harder to tow, or otherwise?

A. Why, certainly, the higher she is out of the water the harder she is to tow when the wind is strong; the wind has more effect on her. [55]

Q. With a southeast wind, is there more sea, or is there likely to be more sea over around the San Rafael shores than there would be about the seawall?

A. Oh, yes.

Q. The seawall is practically protected from the southeast wind? A. By the hills; yes, sir.

Q. Where would you first begin to get the effect of a southeast wind?

(Testimony of Henry C. Peterson.)

A. My experience in going up that part of the bay is, the further up you go the more effective the wind is. Going up toward San Rafael, with a southeast wind blowing, or a southwest wind blowing, when you get up toward Angel Island, or up in that direction, you will find the wind increases.

Q. The further you go up the worse the wind would be, or the worse effect the wind would have on the sea? A. That is it, yes, sir.

Q. Do you think a 40 horse-power towboat would be sufficiently strong to tow that Halversen barge during the month of December?

Mr. BELL.—That is objected to as incompetent. This witness has only seen the barge; it does not appear that he has seen the boat; it is not asked him whether he is able to tow on a particular day under those conditions, but it takes him over a period of months.

Mr. HUTTON.—But in a city like San Francisco, where it is generally known that at certain times of the year you are almost certain to get storms at any time, it appears that a storm did come at this time, and they had one the night before, a barge owner is supposed to have a towboat sufficient to meet all requirements. If this was in the summer, and an unusual wind sprung up, it might be different.

Mr. BELL.—I submit that that testimony is too remote. The question here is as to whether that man exercised proper judgment on that day, not within two or three months either side of that [56] time. The same argument Mr. Hutton uses could

(Testimony of Henry C. Peterson.)

be used about ships going to sea; there could not be any such thing as the perils of the sea if a man could possibly forsee everything that arises.

Mr. HUTTON.—A man has no right to leave port when the weather indications are bad.

The COURT.—The objections are overruled.

Mr. HUTTON.—Q. I will ask you, do you think a 40 horse-power gasoline towboat would be sufficiently strong to handle the Halversen barge?

A. Why, yes.

Q. Under all circumstances?

A. Not all circumstances, no, sir.

Q. Would it, when a southeasterly was blowing over there at San Rafael Point or San Rafael Flats?

A. You cannot tell when you leave here the conditions over there, at times.

Q. I am not asking you about the conditions; I am asking you whether it would be sufficient to tow that barge over there to San Rafael Flats in a southeasterly storm? A. Not on the flats, no.

Q. Is San Rafael Creek a difficult place to get into, or not?

A. You have to get high water to get in there, on account of the shallow water.

Q. Is it wide or narrow?

A. Narrow, very narrow.

Q. In a storm, is it very difficult to get into?

A. Yes, it is.

Q. Do you require more than ordinary power, or less power? I say, does it require more power to get

(Testimony of Henry C. Peterson.)

into that creek when there is a storm, than it would in fine weather?

A. It is according to the man you have on the boat, and whether he knows how to handle the boat in going in there. [57]

Q. Does the southeast storm blow from the San Rafael Creek over to the vicinity of McNear's Point?

A. Yes, it blows right in there.

Q. The fact that this particular boat went by San Rafael Creek and landed at McNear's Point, is that any indication that she drifted, or that the boat had not power enough to hold her?

Mr. BELL.—That is objected to. This witness cannot testify to what was the cause of that boat going by San Rafael Creek, if she did go by there. The other witness was here and he answered as to the cause, as he saw it at the time.

The COURT.—The objection is sustained.

Mr. HUTTON.—Q. At any rate, the wind does blow past San Rafael Creek, in the direction of McNear's Point? A. Yes, sir.

Q. Is McNear's Point farther away from San Francisco than San Rafael?

A. McNear's Point is farther.

Q. How much farther?

A. I guess about three or four miles, speaking offhand.

Cross-examination.

Mr. LILLICK.—Q. Before going into the towboat business, you had gone to sea, had you not?

(Testimony of Henry C. Peterson.)

A. I was born and raised close to San Francisco Bay.

Q. And you have never gone to sea?

A. I have gone to sea, yes, sir.

Q. Speaking from your knowledge of your experience at sea, what is considered a gale, how many knots an hour?

A. It generally runs up from 40 to 80 miles an hour.

Q. And in the answers you were making to Mr. Hutton's questions about a Southeaster, you were using "Southeaster" as a term to express a gale, were you not? A. Yes, sir.

Q. You have personally towed boats over to San Rafael, haven't you?

A. Yes; quite a while ago; I send men over there now. **[58]**

Q. You would have no hesitancy in sending out a barge similar to this of the Halversen Transportation Company with one of your launches, a 40 horsepower launch, when the wind was blowing from 20 to 25 knots an hour here on this side, would you?

A. No.

Mr. BELL.—You don't suspend your towing business on the bay, do you, between November and January?

A. No, sir; not at any time in the year.

Q. It is a question of judgment, isn't it, as to whether a man should start out, or not?

A. It is a question of judgment, yes.

Q. Do you leave that to your men?

(Testimony of Henry C. Peterson.)

A. Not always, no, sir.

Q. Sometimes you do? A. Sometimes I do.

The COURT.—Q. If his judgment fails, who loses?

A. I am the loser.

Mr. BELL.—Q. How do you mean that you lose?

A. Well, it has always been customary that if you don't deliver the goods it is up to you.

Q. That is, when you are carrying the goods on your own boat?

A. From what I understand and have understood for years, when you put a tow-line on a barge, no matter who it is, it means it is up to you, it is your judgment to know whether to put that line on there or not. That is the way I have always taken it.

The COURT.—That sounds pretty reasonable to me, too. You don't think the shipper ought to be responsible for your lack of judgment, do you?

A. No, I don't think so.

Q. Nor do I.

A. That being my business, I ought to know; if I don't, I have to pay.

Mr. BELL.—Q. If a launch took a barge from San Francisco to San Rafeal, and got there to go in the creek, and found the sea was running pretty high, what would be the circumstances of getting into the creek?

A. It is a very hard place to get into when it blows from the southeast; it is a hard place to get into, it [59] is very rough there.

Q. It would be very apt, wouldn't it, if the launch

(Testimony of Henry C. Peterson.)

got in the creek, the wind would be very apt to throw the barge on the rocks at the entrance—on the lee shore? A. Yes, it is liable to.

Mr. LILLICK.—Q. Have you ever lost any goods yourself, from any barges which you have towed?

Mr. HUTTON.—I don't think that is material, your Honor; I object to it as immaterial.

The COURT.—Objection overruled.

A. Yes, sir.

Mr. LILLICK.—Q. When you were speaking of this custom with reference to getting a line on a boat, did you have in mind more particularly the custom with reference to a large tugboat moving a vessel from slip to slip, where the responsibility is put upon the pilot of the tugboat, instead of upon the master of the ship that was being towed? A. Yes, sir.

Q. That is what you had in mind when you made that reply to the Court? A. Yes, sir.

Q. In speaking of that custom, you would not say that it was a custom in San Francisco Bay here, if while you had a barge in tow of one of your launches the barge struck a pile, or any submerged object that could not be seen, that you would be responsible for that, because you had put your line on it? A. No.

Mr. HUTTON.—Q. Is there ony other way of getting into San Rafael Creek, except by going right to the mouth of it?

A. Yes, you can go on either side of the island, the Marin islands, there.

Q. How is the weather between the middle of January and the early part of November, as a rule?

(Testimony of Henry C. Peterson.)

A. Well, you get rough weather very often; you cannot depend on the weather a minute; it is rough.

Q. How is it over in that vicinity, over around San Rafael Creek? **[60]** Are you likely to get worse weather between the first of November and the middle of January than you are at other periods?

A. No, sir.

Q. Isn't it rougher, as a rule, in winter, than it is in summer?

A. Why, yes, but the wind blows in a different direction in the summer, you have your trade winds, the northwest winds, that blow off-shore; the southeast and northeast winds blow up and down the bay, and it has a great sweep, it has no obstruction. You get the distances up and down the bay which you have not across the bay, it is only two or three miles across, although when you do get on the other side of the bay in the summer-time,—around by Berkeley and Oakland—you will see it quite rough there, and on this side you will *be* it perfectly smooth.

Q. You don't get any southeast or southwest storms in summer, do you?

A. No. Once in a great while you do. I have seen a good southeaster in May.

Q. When do they usually commence?

A. They commence all the way from the middle of October. You are liable to get them at any time from October on up to the middle of April. Then there are at times—which are very seldom—you will get a southeaster in the summer, I have seen them in the summer to blow very hard.

(Testimony of Henry C. Peterson.)

Q. A towboat that is able to handle a barge in the summer months, will she be equally as well able to handle it in winter, over on that trip?

A. It is much harder to handle a boat over there in the winter-time than in the summer-time, because the direction of the wind is different in the winter than it is in the summer; you have a lee over there in the summer-time.

The COURT.—We will meet at two o'clock.

(A recess was here taken until two P. M.) **[61]**

AFTERNOON SESSION.

[Testimony of V. J. B. Cheda, for Libelant.]

V. J. B. CHEDA, called for the libelant, sworn.

Mr. HUTTON.—Q. You are the libelant in this case, are you not? A. I am.

Q. You are of the firm of Cheda & Company, over in San Rafael? A. I am secretary and manager.

Q. Do you remember during the month of December, 1913, a shipment of wheat going from San Francisco to your firm in San Rafael? A. I do.

Q. What means of transportation was there for that wheat?

A. It was delivered to the Halversen Transportation Company, known as that at that time.

Q. How much wheat was there?

A. Three hundred sacks.

Q. Did you ever receive the wheat? A. No.

Q. Did you ever see the wheat after it left San Francisco?

A. I saw approximately 130 or 135 sacks of it in

(Testimony of V. J. B. Cheda.)

a damaged condition at the warehouse of the Halversen Transportation Company.

Q. Do you know what became of that wheat?

A. Do I know personally? It was sold.

Q. Do you know Mr. O'Brien? A. Yes.

Q. Who was Mr. O'Brien?

A. I don't know what capacity he was in, but he was the manager of that end of the line, manager and shipping clerk and receiving clerk.

Q. Of what company?

A. Of the Halversen Transportation Company.

Q. Did you ever have a conversation with him about the wheat subsequently to the time you saw it in the warehouse?

A. I went to the warehouse and looked at it, and I then told him—

Mr. BELL.—I would like to object to any conversation, your Honor, as not binding upon the owners of the launch. **[62]**

Mr. HUTTON.—That may be, but it is binding upon the owners of the barge.

Mr. BELL.—We were not the owners of the barge. I am objecting on my own account.

A. The wheat was in a damaged condition, and I gave him the benefit of my experience, and told him that if I were he I would rip the sacks open and put the wheat to the air as quickly as possible. I thought that would be the best way to make the best use of it.

Q. Did you talk to him about it afterwards?

A. I asked him about the proceeds of it, who was

(Testimony of V. J. B. Cheda.)

to get it.

Q. What did he do with the wheat?

A. He sold it.

Q. Do you know what he did with the proceeds?

A. I do not.

Q. Did he ever tell you what he did with them?

A. Yes, he told me he gave them to the firm.

Q. What firm?

A. The Halversen Transportation Company.

Q. When did he tell you that?

A. Inside of two weeks from the accident.

Q. Was that a part of the wheat of Cheda & Company?

A. That was Cheda & Company's wheat.

Q. On the morning that that barge went ashore, were you down in the vicinity of the harbor or the creek of San Rafael?

A. I was there about ten o'clock that day.

Q. How was the weather at that time?

A. Very rough.

Q. How had it been the night before?

A. About the same condition, rough.

Q. How long did it continue to be rough?

A. To the best of my recollection it kind of calmed off in the afternoon, if I remember right.

The COURT.—Of the day of the wreck?

A. In the afternoon of the day of the wreck.

Q. Had it been rough during all the night and morning of that [63] day?

A. To the best of my knowledge it was a very rough, raw night.

(Testimony of V. J. B. Cheda.)

Mr. HUTTON.—Q. When did the storm commence? A. It was the day before.

Q. About what time?

A. I could not say that, that is too long ago. What impresses it on my mind is that I was rather anxious about the shipment, and I went down and inquired if the boat had ventured out in that gale, and he said, yes, it had left San Francisco, and he said he saw it pass out on the flats. At that time we did not know it was wrecked.

Q. How was it then?

A. It was blowing a gale.

Q. You say this was about ten o'clock?

A. About half-past ten in the morning.

Q. Had it been blowing the same way during the whole of the preceding night?

A. Well, I don't know anything about the velocity; do you want my own opinion on it?

Q. Yes.

A. I think it was blowing more at night than in the daytime.

The COURT.—Was it storming in the morning?

A. It was storming in the morning; it was a stormy week.

Mr. HUTTON.—Q. I show you what purports to be an assignment to you of these respective claims. Are those the signatures of the parties they purport to be the signatures of?

A. They are the signatures of every individual who has his name on this assignment.

(Testimony of V. J. B. Cheda.)

Mr. HUTTON.—I offer that in evidence.

(The document was here marked "Libelant's Exhibit 1.")

Q. Did your firm, or anyone for it, ever receive any of the proceeds of that wheat? A. They did not.

Q. Did you ever go down to where the barge went ashore? A. No, I did not. [64]

Cross-examination.

Mr. LILLICK.—Q. Did you make any demand upon Mr. O'Brien to give you the proceeds of the sale that he made?

A. I believe I told Mr. O'Brien, knowing him so well, that I thought I was only giving him advice, and that he ought to bring that money in such shape as to determine afterwards as to how it should go.

Q. And it was left in that situation?

A. I don't know how it was left, but that was my advice to Mr. O'Brien.

Q. And probably that was what was done; so far as you know, that was what was done?

A. No, I don't know that.

Q. But you did not make any demand on him other than that? A. I have since asked him for it.

Q. That was before the commencement of the suit?

A. Yes, and since.

Q. But that demand was a demand for the total loss that you had made, was it not?

A. Well, I felt I was entitled to what they did save out of the wreck, anyway; I did not think they should put injury on injury.

Q. That is not an answer to my question. I only

(Testimony of V. J. B. Cheda.)

asked you if you had made a demand for the total amount prior to the commencement of the suit?

A. Oh, I believe I have, through different channels.

Q. Since the accident, the Halversen Transportation Company sold their business to someone who is now doing that expressing for you, did it not?

A. Not that I know of.

Q. Is it not a fact that someone else is now doing the business that was formerly done for you by the Halversen Transportation Company?

A. Mr. Stangland, yes.

Q. And didn't Mr. Stangland make a settlement with you of a part of the loss that you sustained by reason of this accident, as a consideration for his obtaining your business? [65]

Mr. HUTTON.—I don't think that is material, your Honor. As long as he did not pay for the Halversen Transportation Company, he may have paid it with the understanding that he was to get their business.

A. Well, I can answer it; it won't hurt anybody; he made that agreement, but it was broken.

Mr. LILLICK.—Q. It was broken, you say?

A. Yes; we are back in the same position we always were in.

The COURT.—Q. You have not been paid?

A. We have not been paid, no.

Mr. LILLICK.—Q. What was the arrangement?

A. The agreement that was entered into?

Q. Yes.

(Testimony of V. J. B. Cheda.)

A. Stangland & O'Brien agreed with the merchants who sustained the loss in that wreck that if we would give them all our business of freighting and expressing from San Francisco to San Rafael, where everything was equal, that they would, in turn, give us $150 a month until such time as two-thirds of that indebtedness was paid.

Q. Nothing has been done about that?

A. They made one payment.

Q. Was demand made on them for a payment that was due the following month?

A. Yes, and for the following, and after that, and that, and that.

Q. They didn't pay any of the rest of it?

A. They have not been paying, no.

Q. Have you any independent recollection of the condition of the weather between the nightfall of December 31st and the morning of the next day?

A. Yes, mine is an independent one. I knew that 300 sacks of wheat were out, and it worried me some.

Q. Do you remember what the condition of the weather was that night?

A. It was a very bad night.

Q. And as bad as it was on the afternoon of the preceding day? **[66]**

A. Well, now you have got me.

Q. Do you know whether the Weather Department had an office in San Rafael?

A. No, I don't believe they have. The High School has—the children—but I don't know whether it is accurate.

(Testimony of V. J. B. Cheda.)

Q. You don't know whether there is a branch of the Weather Service Bureau there?

A. No. Mt. Tamalpais is the nearest.

Mr. HUTTON.—Q. Is there telephonic communication between San Rafael and San Francisco?

A. There is, yes.

Q. State whether or not you know from anything Mr. O'Brien ever told you he communicated with this side with reference to the weather.

A. Mr. O'Brien told me that he telephoned to the captain of the barge not to come as the weather was too rough, and he also telephoned to Mr. Codding after the barge had left and asked him to send the "Golden Eagle" launch over to assist the "Seven Bells," as the wind was too strong and she could not handle the barge on the San Rafael flats.

Mr. BELL.—Your Honor, I would like to object to that testimony as not binding upon the launch.

Mr. HUTTON.—Q. Who is Mr. Codding?

A. From what I understand—this is only hearsay—he was one of the incorporators of the Halversen Transportation Company.

Q. Do you know whether Mr. Codding had an office over on this side, or not?

A. I don't know that.

Q. How long had Mr. O'Brien been in communication with the Halversen Transportation Company in San Rafael?

A. During its entire existence.

Mr. LILLICK.—Q. You said Mr. O'Brien told

(Testimony of V. J. B. Cheda.)

you he telephoned to the captain of the barge—did you mean that?

A. The captain of the boat, Captain Gilmour.

The COURT.—Q. You mean the captain of the towboat? A. Yes, sir. **[67]**

Mr. BELL.—Q. Where do you reside, Mr. Cheda?

A. San Rafael.

Q. Where were you on the night prior to this wreck? A. Every place.

The COURT.—Q. Were you in San Rafael?

A. I was in San Rafael, yes, sir.

Mr. BELL.—Q. Being in San Rafael, you would not know what the condition of the wind was down at the mouth of San Rafael Creek, would you?

A. Well, I cannot say that I do—do you know the distance?

Q. Well, you know where it is?

A. Yes, it is about a mile and a half from my home.

Q. Is it not a fact that San Rafael is protected there so that even if there is a wind you would not know it? A. Not so you could see it.

Q. And you are sure now, are you, that there was a high wind the night *prior the* time the barge went ashore? A. There was.

Q. What time did that wind begin?

A. Well, I would not venture to state the time as to that.

Q. Do *you whether* that wind was blowing at 11 o'clock the night before? A. Yes, sir; I do.

Q. Do you know if it was blowing later than that?

A. No, I could not tell you that it was blowing con-

(Testimony of V. J. B. Cheda.)

tinually later than that. I retired for the night.

Q. Do you know if there was any lull after that time? A. I do not.

Q. Do you know if the wind was blowing at 6 o'clock that morning? A. I do not.

Q. Or at 8 o'clock? A. Yes, I do.

Q. It was blowing at 8 o'clock, was it?

A. There was a gale on at 8 o'clock. **[68]**

Q. When did you first know of it in the morning?

A. It is my habit when I get down to my business at 7:30 to find out what goods are in at the different stations; that was one of my habits, and that morning I telephoned to O'Brien to see if the wheat had arrived and then I discussed it with him.

Q. Where is your office?

A. It is in San Rafael.

Q. How was the wind at 8 o'clock with reference to what it had been the night before at 11?

A. Well, I am no expert on that.

Q. You don't recollect what the condition of the wind was in the morning?

A. Not in comparison, no.

Q. Did you make the contract with the Halversen people for the carriage of your goods?

A. I don't believe so.

Q. Who made it, if you know?

A. I don't believe anybody did.

Q. Had you had goods carried by them before?

A. It was carried by the firm ahead of them, I believe they bought out a man named Saxter.

Q. Had you had any goods carried by the Halver-

(Testimony of V. J. B. Cheda.)

sen people prior to this? A. Sure.

Q. On the same barge? A. On the same barge.

Q. Towed by the same towboat? A. Yes, sir.

Q. You knew that this towboat was towing that barge back and forth, did you? A. I did.

Q. That morning when you went down to your office you were worried about this shipment of wheat?

A. I was. I telephoned first and then I walked to the yard, which is about ½ a mile below.

Q. That was on account of the heavy wind that was blowing?

A. Well, I know I generally go in my automobile or in my rig and I walked that morning because the weather was too raw. [69]

Q. You were worried because it was such an extraordinarily hard storm?

A. I didn't care about the storm, it was the wheat I had in mind.

Q. You were worried about the wheat on account of the big storm? A. That was it.

Q. In what direction was the wind blowing that morning? A. It was blowing from the south.

Q. Was it directly from the south?

A. I don't know.

Q. That was at the town of San Rafael that it was from the south?

A. Yes; I don't know whether it was southeast or southwest.

Q. You don't know what it was down at the mouth of the creek? A. I do not.

(Testimony of V. J. B. Cheda.)

Q. Who does your towing now?

Mr. HUTTON.—I don't think that is material, your Honor. He doesn't have any towing done anywhere.

Mr. BELL.—Q. Do you ship any goods across the bay? A. Yes.

Q. How are they shipped?

A. Stan*dl*and and the San Rafael & San Anselmo Express Company.

Q. On barges?

A. On a boat; I don't know what you would call it, whether it is a steamboat.

Q. Not on barges? A. Not a barge, no,

Redirect Examination.

Mr. HUTTON.—Q. I think you said you discussed something with Mr. O'Brien when you rung him up that morning.

Mr. BELL.—I object to this testimony as not being binding upon the launch.

A. About the weather and about the boat, as to whether she left San Francisco.

Mr. HUTTON.—Q. What was the conversation?

A. I told him, "I hope the boat has not left the other side," and he says, "I think she has." [70]

Q. Anything else said that you remember?

A. No, not that I can remember.

Q. Was that storm any worse storm than usual over there at that time of the year?

A. Yes, that was what we call a southeaster.

Q. Was it worse than any other southeaster?

A. It was a pretty brisk one; in fact, I don't know

(Testimony of V. J. B. Cheda.)

how to explain it to you but we feel that it was one of our heaviest storms. We only get about two or three of them.

The COURT.—Q. Two or three a year?

A. Just about two or three a year, and that was one of them.

Mr. HUTTON.—Q. Was it any worse than any other storm that you may get in that time of the year? A. No, I don't believe so.

Q. You have seen plenty of other storms at that time of the year of equal violence, haven't you?

A. It is a usual winter storm.

The COURT.—Q. It was no worse than any other storm, that was as bad?

A. That is it, your Honor.

Recross-examination.

Mr. LILLICK.—Q. Do you have your goods shipped under a shipping receipt or a waybill?

A. We have it under a shipping receipt.

Q. Have you a copy of the shipping receipt that was issued to you when this wheat was shipped?

A. I believe so.

Mr. LILLICK.—We ask counsel to produce it.

Mr. HUTTON.—I never saw it.

Mr. LILLICK.—Q. Will you send it to your counsel so that he may turn it into the court?

A. I will. If I have it I will produce it.

Q. Would you know whether or not it was under this form of a shipping receipt? (Handing.) There is some printed matter on the back. [71]

A. I have never read that printed matter. I can

(Testimony of V. J. B. Cheda.)

give you the shipping receipt I think if we have it.

Q. If not will you give us a shipping receipt similar to it? A. Yes.

Q. Do you know whether or not it was the standard form of waybill or shipping receipt known as the California shipping recepit?

A. I believe it was the California shipping receipt.

Mr. HUTTON.—The receipt itself will be the best evidence of what it contains.

Mr. LILLICK.—I am only asking him that so that if the witness has not the receipt we will have the testimony of the witness that it was the usual California shipping receipt.

Mr. HUTTON.—Q. Have you the shipping receipt? A. I think so.

Mr. LILLICK.—Q. That particular shipment of wheat was not owned by you on this side of the bay, was it?

A. I bought that wheat on the seawall; now, whether you would say it was owned by me on this side of the bay I don't know.

Q. Who shipped it? A. Albers Brothers.

Q. You sent over an order and they put it on the express?

A. I gave them the order, they telephoned to the Halversen Transportation Company to call at the seawall and get the consignment.

Q. Would you know in advance then what kind of a shipping receipt you were going to get? A. No.

Q. You have no control over that?

A. I have not.

(Testimony of V. J. B. Cheda.)

Mr. BELL.—Q. At the time you telephoned O'Brien on the morning that this barge went ashore, at that time you thought the shipment had left the night before from San Francisco, didn't you?

A. *I* was the habit of the boat to be there the first thing in the morning. [72]

Q. At the time you telephoned you thought it had left the night before? A. I thought it was in.

Q. That would necessitate its having left the night before?

A. I believe they take two or three hours to run, and they run according to the tides.

Mr. LILLICK.—Q. Have you paid Albers for the wheat? A. Yes, sir.

[Testimony of A. H. Gilmore, for Libelant.]

A. H. GILMORE, called for the libelant, sworn.

Mr. HUTTON.—Q. What became of the engine that was in the "Seven Bells" at the time you were towing the Halversen barge in the latter end of December, 1913, at the time the barge went ashore?

A. The Standard Engine people took it out.

Cross-examination.

Mr. BELL.—Q. Had the "Seven Bells" been attached at the time that they took that out, had it been libeled? A. No.

Mr. HUTTON.—It had been libeled but it had not been seized.

Mr. BELL.—At the time this engine was taken out a libel had been filed but the vessel had not been seized?

Mr. HUTTON.—The record shows that they went

(Testimony of A. H. Gilmore.)

over there and the marshal told him the boat had gone away and would not be back until a couple of days and when she came back they took the engine out.

Mr. BELL.—Q. You had purchased the engine from the Standard Gas people on a conditional sale?

A. Yes, sir.

Q. The price had not been paid? A. No.

Q. And that is why they took the engine out?

A. Yes. [73]

Mr. BELL.—Q. You will admit, Mr. Hutton, won't you, that after the libel was brought we came into court here and agreed that it was not necessary to reattach the engine, that the engine was to be considered as in court here subject to this decision.

Mr. HUTTON.—You delivered it up on the order of the Court and we went over and took it at the Standard Gas engine place?

Mr. BELL.—Yes. I just wished it understood that there was no attempt on our part to avoid this suit. The engine had been taken out before the vessel was seized and we could have put the other side to the trouble of commencing a new suit against the engine, but we were willing to let it come in in this proceeding.

Mr. HUTTON.—A motion was made here on an affidavit showing that the marshal had gone over to the gas engine works inquiring for the boat—

The COURT.—Well, what is the relevancy of this discussion?

Mr. HUTTON.—It is immaterial, I think.

(Testimony of A. H. Gilmore.)

Mr. BELL.—I think it is, too. I didn't know what the relevancy of this testimony was.

Mr. HUTTON.—If your Honor please, Mr. O'Brien promised to be here this morning. He lives in San Rafael. I fully expected him to be here. At a little after 12, or a little before 12, we communicated with him again and he promised to be here at 2 o'clock; he is not here. The pleadings admit receiving the goods. It is a matter of defense more than anything. I would like the opportunity of producing Mr. O'Brien.

The COURT.—If it be necessary. The best way to get a witness here is to subpoena him.

Mr. HUTTON.—I understand that, but sometimes we take a man's word.

The COURT.—I know it, but when you take his word you take [74] chances. The Court can enforce its orders but it cannot enforce gentlemanly agreements.

Mr. BELL.—We have no objection, your Honor, to a continuance. We would like to take the matter up within the next few days though, if we can.

The COURT.—Is this the last of your case?

Mr. HUTTON.—That is the last witness.

Mr. BELL.—We are in the same situation with reference to one witness. We have always been ready to try the case but it has gone over continually either at the request of Mr. Hutton of Mr. Lillick.

Mr. HUTTON.—Never at my request. Mr. Lillick was engaged in the trial of another case. That is the reason it went over.

Mr. BELL.—We went to considerable trouble to

(Testimony of A. H. Gilmore.)

have these men here but we were unable to make it.

The COURT.—Where are they?

Mr. BELL.—One is in Redwood City.

The COURT.—The process of this court runs that far.

Mr. BELL.—Yes, your Honor, we are in the same difficulty as Mr. Hutton finds himself.

Mr. LILLICK.—I think if your Honor could give us Thursday afternoon we could finish this case. I don't want to offer any objection to a continuance.

The COURT.—I think we ought to proceed as far as we can to-day.

Mr. BELL.—Yes, we can do that.

[Testimony of A. H. Gilmour, for Defendant.]

A. H. GILMOUR, recalled for the defendant.

Mr. LILLICK.—Q. Mr. Gilmour, do you know your brother's signature, G. M. Gilmour? I ask you whether or not that is his [75] signature, appearing on that document?

A. It looks like it.

Q. That is his signature, isn't it? A. Yes.

Mr. LILLICK.—This is the agreement under which the Halversen Transportation Company and the Gilmores were working with reference to the hiring of the launch "Seven Bells"?

Mr. HUTTON.— I don't think it is material as to us. We make that objection.

Mr. LILLICK.—It certainly will be material in fixing the liability, if there be any.

Mr. HUTTON.—The shipper of freight cannot know what arrangements they are making in advance or what arrangements are made with other

(Testimony of A. H. Gilmore.)

people; he is entitled to a delivery of his goods.

The COURT.—The document will be admitted. I don't know what the legal effect will be.

Mr. LILLICK.—The effect will be to fix the liability, if there be any liability at all.

(The document was here marked Respondent Halversen Transportation Company's Exhibit "A,")

Q. You were running the launch "Seven Bells" upon the freighting that was being done here with that barge? A. Yes, sir.

Q. In the course of the shipment of goods on board the barge what was the custom with reference to signing shipping receipts or waybills when goods were offered to the barge?

A. They had an office down at the wharf and a receiving clerk there. I had nothing to do with receiving.

Q. You do know however that they gave shipping receipts and bills of lading? A. Yes, sir.

Q. I will ask you whether *this one* of the waybills or shipping [76] receipts that was used?

A. Yes, that, and more of the other ones.

Mr. LILLICK.—I offer this in evidence so that if there be any loss of that other shipping receipt we will have a copy of a form of a bill of lading.

Mr. HUTTON.—I object to it as immaterial and not bringing on the consignee.

The COURT.—The objection is overruled.

(The document was marked Respondent's Exhibit "B.")

(Testimony of A. H. Gilmore.)

Cross-examination.

Mr. HUTTON.—Q. What part of the business did you carry on, Mr. Gilmour?

A. I was captain of the boat.

Q. These papers would be issued from the office, would they? A. Yes, sir.

Q. You had nothing to do with that?

A. No, sir, I had nothing to do with the papers.

Q. What office was it that issued them?

A. The Halversen Transportation Company's office.

Q. You simply furnished that boat—that is all that you did?

A. Yes, and the help rode on the barge.

Q. You were on the boat most of the time?

A. Yes, sir.

Q. This cargo that you carried over to San Rafael, that came from different merchants in San Francisco, didn't it? A. Yes, sir.

Q. That is, anyone that wanted to make a shipment would send it down there, it would go on the boat and be taken to San Rafael? A. Yes, sir.

Q. And the Halversen Transportation Company carried on a general transfer business from San Francisco to San Rafael at that time?

A. Yes, sir.

Q. Taking anything that came along?

A. Yes, sir.

Q. Did they advertise?

A. I believe they did. [77]

Q. That is, advertised that they carried cargo?

A. Yes, sir.

[Testimony of G. M. Gilmore, for Respondent.]

G. M. GILMORE called for the respondent, sworn.

M. CHAPMAN.—Q. Mr. Gilmore, you were one of the owners or one of the members of the "Seven Bells" at the time that this accident occurred which is the subject of this suit here? A. Yes, sir.

Q. When did you first commence to carry or tow a barge over to San Rafael for the Halversen Transportation Company? A. July 28, 1913.

Q. How often did you make a trip?

A. Every night except Sundays and holidays.

Q. What was the size of the "Seven Bells"?

A. 46 by 15 by 4½ draught.

Q. 46 feet long? A. Yes, sir.

Q. 15 feet beam? A. Yes, sir.

Q. And what was here depth? A. 4½.

Q. What kind of an engine?

A. 40 to 50 Standard.

Q. 40 to 50 horse-power?

A. Yes, the Standard Gas Engine Company guaranteed us 50 horse-power.

Q. At the time of the accident how old was that engine? A. A brand new engine.

Q. How long does it take you ordinarily to make the run from the Jackson Street wharf to San Rafael?

A. The average of the time we ran was 3 hours and 25 minutes.

Q. Is that dependent at all on the condition of the tide? A. The tide and weather.

(Testimony of G. M. Gilmore.)

Q. On the night in question what time did you leave your wharf?

A. We left Jackson Street wharf at about 7 o'clock.

Q. Who was on board of the "Seven Bells"?

[78]

A. The captain and myself.

Q. That was the 30th of December?

A. The 30th of December.

Q. About 7 o'clock? A. Yes, sir.

Q. You and A. H. Gilmore were on the "Seven Bells"? A. Yes, sir.

Q. What were your duties?

A. To handle the lines and steer the boat.

Q. What was A. H. Gilmore's duties?

A. He was the captain of the boat.

Q. Who operated the engine?

A. Either of us; we *both a* license to operate.

Q. Who was on the barge?

A. Nobody necessarily; sometimes we had one man and sometimes two.

Q. Silva was on the barge at the time of the accident, was he? A. Yes, sir.

Q. What was the size of the barge?

A. 28 by 68.

Q. 28 feet long by 68 feet beam? A. Yes, sir.

Q. What was the draught of the barge?

A. From 12 to 16 inches.

Q. You left the Jackson Street Wharf about 7 o'clock that night, did you? A. Yes, sir.

Q. Where did you go?

A. We didn't know whether we would make San

(Testimony of G. M. Gilmore.)

Rafael, or not, but we figured on going along the waterfront to get a good idea how the weather was and we went a litle beyond the seawall and being dark and it looked like a bad night, we pulled in to the seawall and tied up.

Q. What time did you get in to the seawall?

A. I could not say exactly, but I think about a quarter past 10. We had gone out a little ways and tied up to the seawall.

Q. Were you on deck during the night of the 30th?

A. Yes, sir. [79]

Q. What was the condition of the weather?

A. It looked more or less stormy.

Q. What was the condition of the weather on the morning of the 31st of December?

A. It looked like a storm had just blown out.

Q. Was there any sun shining?

A. No, but it brightened up.

Q. Was it raining? A. Just a drizzle.

Q. What was the condition of the sea?

A. The sea was smooth, with a slight heave running in from the south.

Q. What time did you leave the seawall for San Rafael? A. About 8:15.

Q. You are familiar with this chart, are you not?

A. Yes, sir.

Q. I will ask you to mark on the map here the course that you took from the seawall.

A. (Witness does as directed.)

Q. This line that you have drawn describes the course you took on the morning of December 31st,

(Testimony of G. M. Gilmore.)

and up to the time the barge was lost on December 31st? A. Yes, sir.

Q. In other words this is the entire course?

A. The entire course,

Q. After you left the seawall, what was the condition of the wind and sea, from the time you left the seawall until you came to Pt. Blunt, which is the southeasterly point of Angel Island?

A. The weather was quite moderate.

Q. I will ask you, in these months that you have been running across the bay, what is the weather that you experience on that part of the coast compared with what it is in the upper bay?

A. In the summer-time usually across the channel it is all right.

Q. In the winter-time, what is the condition?

A. Well, more or less the same except sometimes in the winter we experience a norther coming down.

Q. What was the condition of the wind? From what quarter was the wind blowing when you left the seawall that morning, the morning [80] of the 31st of December? A. It seemed to be south.

Q. What has been your experience in making this trip on a southerly wind? Where have you experienced the greatest wind?

A. Right at Southampton Shoal.

Q. That is marked on the map? A. Yes.

Q. On the day in question, up to the time you reached Southampton Shoal, what was the condition of the wind and sea? A. It was still moderate.

(Testimony of G. M. Gilmore.)

Q. In your opinion, did it justify you in continuing your trip?

A. Yes, sir. We had shelter in here, but we decided it was not necessary.

Q. At that time there was no reason for your turning back or seeking shelter? A. No, sir.

Q. You could have put into Raccoon Straits?

A. Yes, sir.

Q. When you got here you changed your course to the Marin County shore?

A. There was a swell up the bay; that was from the night before; we went inshore to avoid it, which we did.

Q. Where is California City? A. Right here.

Q. When you got off California City, what was the condition of the weather compared with what it was when you left?

A. There was not much difference, only we experienced a little wind coming off the shore, but it seemed to be west of south.

Q. When did you first run into any heavy wind or bad sea?

A. Between California City and Pt. San Questin.

Q. When you reached San Quentin, what was the condition of the wind and sea?

A. It began to get very squally.

Q. This chart shows a shaded surface. That indicates shoals and flats, does it not? A. Yes, sir.

Q. And the little marks indicate the depth in feet?

A. Yes, sir.

Q. And in the clear, the depth in fathoms?

(Testimony of G. M. Gilmore.)

A. Yes, sir. [81]

Q. After the wind, you say, got heavy and the sea rough off San Quentin Point, was there a shelter which you could make?

A. Not in the close vicinity.

Q. Explain to the Court what this cove or break in the coast is?

A. This is mud in here; that is rocky shore.

Q. Along San Quentin it is all rocky shore?

A. Yes, sir.

Q. And you could not have gotten in there?

A. That is the lee shore; if you went in there, you would get on the rocks, and on the beach.

Q. It would have driven you on to the rocks?

A. Yes, and as we arrived at Point San Quentin the wind hauled still more south—southwest.

Q. You passed San Quentin Point in safety, did you? A. Yes, sir.

Q. After you passed San Quentin Point, what was the depth of water between San Quentin Point and the mouth of San Rafael slough?

A. Just enough water to float in.

Q. Just enough water for the "Seven Bells" to float in, and necessarily the barge? A. Yes, sir.

Q. What is the distance from San Quentin Point to the mouth of San Rafael Slough?

A. About seven-eights of a mile.

Q. Will you explain to the Court the opening of San Rafael Slough, how wide it is?

A. There was a dredged channel of 100 feet; at this time there was a channel of from 45 to 50 feet.

(Testimony of G. M. Gilmore.)

Q. What was on either side of the channel?

A. There was mud in the channel, but off the channel a distance of 400 feet there was a rocky shore.

Q. On which side? A. On the northeast side.

Q. On the northeast side and the lee side?

A. That was the lee side at the time we arrived there.

Q. When you reached the mouth of San Rafael Slough, what was [82] the condition of the wind and sea?

A. Very nasty. There is a beacon off there. We came up to the beacon. We saw it would be foolish to be in, we rounded up to the weather.

Q. How much tow-line did you have out when you approached San Rafael Slough?

A. We had 225 feet of line and 15 feet of cable; of this, we had about 190 feet out.

Q. As you approached the slough, did you take in your hawser, your line?

A. We took it in until we had about 50 feet out, and we had it in for about five minutes and let it out again, because it would break if we didn't.

Q. What was the purpose of taking in the line?

A. So the barge would not be to leeward.

Q. And therefore you could not control the barge?

A. We always do that. As soon as we get off the creek we take the barge close in.

Q. You shortened in your tow, so that if you made a turn there would not be that chance of the barge swinging down the river? A. Yes, sir.

(Testimony of G. M. Gilmore.)

Q. After you did that, was it possible for you to get in the creek?

A. No, sir, we found out afterwards it was impossible.

Q. What kind of freight did you have on?

A. General merchandise; we had everything.

Q. When you reached the mouth of San Rafael Creek under these conditions, what did you then do?

A. We looked for shelter. For a while we thought probably it would blow out. It blew so squally and so hard on short notice we knew it would not last long, and we thought we would haul over to the Marin Islands for shelter.

Q. I will mark that as "Marin Islands." How large are those? A. About four or five acres.

Q. You then thought you would seek shelter behind the Marin Islands? [83] A. Yes, sir.

Q. Did you get behind those islands?

A. We came up exactly to where I marked there, right close to them; we were heading down the bay making that course, we were headed right into the wind, and we would be off this far—

Q. When you say "headed into the wind" you mean—

Mr. HUTTON.—Your Honor, I have not objected to this examination up to date, but counsel is telling the witness right along what to say.

Mr. CHAPMAN.—Q. What do you mean by saying you headed into the wind?

A. We came up from a south wind; as we turned in here the wind came pretty near southwest, the

(Testimony of G. M. Gilmore.)

squall did; we went on before the wind; you cannot get in the creek on a heavy southwest wind, or a little south of southwest, and so we pulled out and went to seek shelter behind Marin Islands; we found we could not pull up to the islands, the wind got too heavy for us, we didn't want to drop anchor over here, over toward Pt. McNear, we found the rocky shore there, and it was not practical to anchor. We wanted a muddy shore.

Q. When you headed up toward Pt. McNear what course were you making? You were headed south, were you?

A. We were heading south and going east.

Q. Were you making leeway at that time?

A. We were making leeway in the direction that line goes (indicating).

Q. If you kept on, could you have cleared McNear's Point?

A. No, sir; we found that came down too close; if we went to deep water there, no telling what would happen to the man on the barge, we could not get him off.

Q. You couldn't get close enough to Marin Islands to get shelter; you could not go to McNear's Point because you would go on to this point first.

A. We were afraid we would. [84]

Q. Where did you go? A. Back on our course.

Q. Where did you go?

A. Right at this line, here.

Q. At that time, how far were you away from the shore?

(Testimony of G. M. Gilmore.)

A. Five-eighths of a mile, and we had not let go yet.

Q. What was the condition of the weather at that time? A. Right at its higest.

Q. At what time of day was this?

A. 12:15 o'clock, as near as I remember.

Q. You say you steered for that cove?

A. We were backing up there; the wind was backing us up as we went back again.

Q. The wind drove you in there? A. Yes, sir.

Q. Do you know what the depth of water was at that time?

A. The boat draws 4½ and we were touching bottom at every swell.

Q. What effect did that have on the steering of the boat? A. It is hard to navigate.

Q. You mean navigate well. I mean in the condition you were in at that time, when the boat struck bottom on every swell, did your boat have steerage way at that time?

A. It had a little. At one time we lost the steerage, and we had to make a circle off the point to get back again.

Q. The wind was driving you into this cove?

A. Yes, sir.

Q. What did you do with reference to the barge?

A. We pulled her off shore and then let her go and dropped the anchor on the barge.

Q. Describe the formation of the coast?

A. This point is rocky.

Q. You are referring to this point (indicating)?

(Testimony of G. M. Gilmore.)

A. Yes, sir. All the cove is muddy, and it is perfectly safe; you can let anything go in and it would never be damaged. From here on, on the eastern side, it is all rocky and deep water, as the chart shows.

Q. Referring now to the two points of the cove, where were you [85] when you let the barge go?

A. Right in the middle of the boat.

Q. Did you say anything to this man Silva on the barge, with reference to letting the anchor go?

A. No. We saw him on the forward end of the barge and we could not speak to him, it was so boisterous you could not talk; you could make motions to him, but that is about all.

Q. You say you let loose the tow?

A. Let loose the tow.

Q. You let loose?

A. We let loose our tow-line.

Q. What did Silva do?

A. He did the best he could to get the anchor overboard.

Q. What size anchor did the barge have?

A. I judge about a 200-pound anchor. Mr. Halversen told me he bought it for a 230-pound anchor, that is what he paid for; I would judge it weighed anyhow 200 pounds.

Q. How much line did you have with that anchor?

A. I should judge from 140 to 160 feet.

Q. Do you know at the time this man Silva let the anchor go, whether all the line was paid out, or not?

A. I could not see exactly; I think it was, because

(Testimony of G. M. Gilmore.)

when we went around the beach with the barge there, the end was made fast and the rest of it was overboard.

Q. The end was made fast on the boat?

A. Yes, sir.

Q. After letting the barge go, what became of the barge?

A. The anchor retarded her so it lifted over on to this edge of the cove, the first of the rocks; it just reached the rocks.

Q. Do you know what depth of water there is at these rocks?

A. At low tide, about 2½ feet.

A. What was the condition of the tide then?

A. Flood tide; getting toward the top of the tide.

Q. Where did you expect the barge to go?

A. Right in that cove. We were backing up, and *when got* right to leeward he let it go. The man on the barge did the best he could to let the anchor go.

[86]

Q. I think you testified that in the cove it was all muddy, except that these two points were rocky?

A. Yes, sir.

Q. Referring to the condition of the weather, have you seen storms as heavy as that in your experience in running to San Rafael before that winter?

A. Well, I have not seen such squally weather?

Q. Have you seen such squally weather, or the same weather, when you left San Francisco before?

A. Oh, yes, we have left in worse weather in daylight.

(Testimony of G. M. Gilmore.)

Q. And, as I understand you, the bad weather did not set in until you reached about California Point?

A. California Point.

Q. And you consider, do you, in the exercise of your best judgment, that you did all that you could do to save the barge.

A. I did everything possible. To hang on to the barge here 20 minutes more, we both would have been on the beach. We were backing up at that rate. We backed up to here.

Q. How did Silva come to let that anchor go, do you know?

A. Well, natural instinct would tell him to let it go,

Q. Was it on your signal to let it go?

A. No. He was working at it and I let him go ahead with it.

Q. If your boat had been of more power, could you have held that barge?

A. If we had more power, we would have had more draft and could not navigate.

Q. What effect did the heavy sea have upon the propeller?

A. It does not hurt the propeller any, but when it gets down in the sea she won't steer.

Q. When the boat comes out of the sea, what effect does it have on the propeller? A. It would stop.

Q. What effect does it have, I say, when it comes out of the sea?

A. No effect whatever. If it stays out of the sea long enough you can navigate again. [87]

Mr. LILLICK.—Q. Mr. Gilmore, do you know

(Testimony of G. M. Gilmore.)

whether they buy anchors by the pound?

A. Yes, sir.

Q. How far away from shore was the barge when the anchor was dropped overboard?

A. When it finally got overboard, I think, it was not over a quarter of a mile; it is pretty close. It took quite a while to get it ready.

Q. You heard Silva testify this morning that the barge was on the rocks before he got the anchor over?

A. I heard him say it was almost on the rocks.

Q. What is your recollection about that?

A. It is pretty hard to tell; I should think it was a short quarter of a mile away.

Cross-examination.

Mr. HUTTON.—Q. Silva would be more likely to know about that than you would, wouldn't he?

A. I don't know; we stayed there until he went up to the doctor.

Q. He was on the barge?

A. Yes, the forward end of the barge.

Q. You were looking out for your boat?

A. We were looking out for everything.

Q. You didn't look out for it very much when you let go.

A. In the best of our judgment we did what was right.

Q. Were you engineer, or what?

A. I was deck hand.

Q. Who was captain?

A. My brother was captain.

Q. How long had you been deck hand?

(Testimony of G. M. Gilmore.)

A. On this boat about three years.

Q. On that particular boat? A. Yes, sir.

Q. What was your occupation before you went in the gasoline boat business.

A. I was up in the river country on dredgers.

Q. The "Seven Bells" was not three years old at that time, was she?

A. She was a good deal older than that.

Q. When did you first get control of her?

A. We got the boat in [88] February, 1910.

Q. That was your first experience as a boat man, of any character?

A. No, sir, I started on the bay in 1904 and 1905.

Q. What were you doing then?

A. Then I worked about the bay and the rivers; I was working on dredgers in the river country.

Q. Did you ever operate a boat before the "Seven Bell"? A. Nothing but sailboats.

Q. That was on pleasure? A. Yes.

Q. You are not a seafaring man by occupation, are you? A. I am now.

Q. But you were not then? You have described all the experience you had as a seafaring man?

A. Yes; I was not at that time.

Mr. BELL.—Q. At what time was that?

A. At the time the barge went ashore.

Mr. HUTTON.—Q. Did you ring up this morning to ascertain what the weather was in San Rafael before you left San Francisco—you personally?

A. That morning, no sir, I did not.

(Testimony of G. M. Gilmore.)

Q. How was the wind when you were off California City?

A. Well, it was about the same as when we left the city.

Q. In what direction was it blowing?

A. South.

Q. Didn't you say southwest awhile ago?

A. No, I said south. I said at California Point it was blowing southwest, or almost southwest, between south and southwest. It had not got southwest until we got up almost to where we let the barge go.

Q. And what was it blowing then?

A. Almost southwest; it was squally; it varied a little bit.

Q. Are you familiar with the points of the compass? A. Yes, sir.

Q. The wind was blowing you on shore?

A. No—almost on shore, yes.

Q. Take a look at that chart. Wouldn't a southwest wind blow you [89] clean offshore?

A. No, sir, it would not, it would blow me right on to the shore.

Q. A southwest wind coming around here would blow you offshore, wouldn't it? Isn't this southwest here?

A. Well, that would not make any difference.

Q. How would a southwest wind blow you on shore?

A. The shore is northwest and southeast, a lee shore. Take the compass here.

(Testimony of G. M. Gilmore.)

Q. Well, woudn't it blow you offshore?

A. No, sir, it would not.

Q. You think a wind that way would blow you into this cove?

A. Yes. The anchor held for a little while and she got off this end of the cove.

Q. When you were towing the barge, while you had hold of her, you say a southwest wind would blow you in that cove?

A. Not clear southwest; if the wind was steady from the southwest we would be able to clear that point, but it was not, it was between south and southwest; the heave was still from the southeast.

Q. The wind was blowing one way and the sea the other?

A. That is the way it was, yes, sir.

Q. How did you come to go in the cove at all?

A. We wanted to go over there to get shelter behind Marin Islands; we did make an attempt to go around McNear's; another barge of our same capacity did and cleared it, she was going here and made it; we almost made it.

Q. Would you get any shelter behind Marin Islands with a southwest wind?

A. Yes, we would get shelter there from any wind.

Q. Where did you first strike the south wind?

A. At California Point.

Q. Where did you get the southwest wind?

A. That was over here, and then it was not altogether southwest.

Q. Wouldn't that southwest wind have a tendency

(Testimony of G. M. Gilmore.)

to blow you right [90] clear out into the bay, and across?

A. No, sir; a southwest trade wind would, but not that kind of a wind.

Q. Is there any difference between a southwest trade wind and any other southwest wind?

A. Yes, sir; there is.

Q. How close was the towboat to the rocks at the time you let go?

A. Well, it had hold of the barge; we had about 150 feet of the line out.

Q. Was she dragging the towboat?

A. She was backing up a little on the towboat.

Q. She was dragging the towboat instead of the towboat dragging the barge?

A. Yes, she was backing it back.

Q. In other words, the wind was so strong then that the towboat did not have power enough to hold the barge against it, and the barge was pulling the towboat back; that is what you mean by backing it, is it not?

A. I don't know what you mean. I say the barge was backing the towboat up at the time.

Q. You mean by that that the barge was pulling the towboat in the opposite direction from the way the towboat *want* to go?

A. You mean at the time we let her go?

Q. Yes. A. Yes, sir.

Q. How long had she been doing that?

A. About ten minutes.

(Testimony of G. M. Gilmore.)

Q. And how far had you drifted in that ten minutes?

A. We didn't drift hardly at all, we found out we were losing, though.

Q. How much did you lose?

A. Well, when we found we were losing we were about five-eighths of a mile offshore, and we run her half a mile offshore when we decided we were losing, say one-eighth of a mile.

Q. Then you began to go in towards the shore again? A. Yes, sir.

Q. And that is the time you let go?

A. Yes, sir.

Q. What became of your tow-line?

A. We lost it as it washed off the barge. We got the tow-line again. **[91]**

Q. Did you ever go around to where the barge was, after she went ashore? A. Yes, sir.

Q. When?

A. We went around the same day we landed; and the next morning, with a small scow and a towboat, we went and took off what was left.

Q. Did you see any of the cargo there?

A. A little damaged grain.

Q. What became of the rest of it?

A. Washed overboard.

Q. Where did it go to? Did it go upon the beach?

A. I don't know; some liquors got up in the quarry.

Q. They stole that?

(Testimony of G. M. Gilmore.)

A. No; it washed overboard and they got it on the beach.

Q. Didn't the quarryman do down and get it?

A. Not that I know of.

Q. If the barge washed ashore, wouldn't the cargo do the same thing? A. Not necessarily.

Q. Who was the engineer on the boat?

A. Either of us; it only takes one man to operate the boat.

Q. Who started the engine up?

A. My brother.

Q. Had he ever been a seafaring man?

A. Yes; that is, he worked on the bay.

Q. He had never been out to sea?

A. He made one trip.

Q. When did you have two men on the barge, and when did you have one?

A. Sometimes one, and sometimes two; we had these men to handle the cargo, and making fast to a dock, and that was all.

Q. Didn't you have two men on the trip over?

A. Sometimes.

Q. When? A. At various times.

Q. Was it customary to have two men?

A. Sometimes three; it all depends on how heavy the cargo was.

The COURT.—Q. They were not there for the purpose of manipulating the barge?

A. Only to tie up to the dock.

Q. Their duty was to handle the cargo?

(Testimony of G. M. Gilmore.)

A. Yes, sir. **[92]**

Q. If two men, or three men, or five men had been on the barge it would not have affected the situation on this morning?

A. I don't see how it would; I don't see how it would help at all; they would be perfectly powerless.

Mr. HUTTON.—Q. They could get the anchor out quicker, couldn't they?

A. No, sir; if two men were there, probably one would have got washed overboard. There was only a bight to hand on to; the way it was, he was washed aft once.

Q. Do they ever have anchor chains?

A. Anchor lines.

Q. Do you use the same line for anchors that they do for mooring the barge? A. Yes, sir.

Q. It takes time to *bed* it on?

A. A couple of minutes.

Q. If it was bent on, you might save a little time in doing it?

A. Yes, you might save a little time, a minute or so, just to tie a knot in it. The anchor was right at the edge of the barge.

Q. It takes time to get the line and bend it on?

A. The line is right there, at the forward end of the barge.

Q. What was the name of the towboat and the barge that made McNear's Point that day?

A. There was no name on the barge; the towboat was the "John A. Britton."

(Testimony of G. M. Gilmore.)

Q. Was she a stone barge or a cargo barge?

A. The same style barge as ours; I think she was almost a duplicate; she had no house on her.

Q. The house has a tendency to make the barge harder to handle in a wind?

A. Not any harder to handle; it takes a little longer to pull through the water, it takes more time off the wind.

Redirect Examination.

Mr. LILLICK.—Q. Would that anchor have dragged and allowed the barge to go ashore, even if the anchor had been thrown over half an hour before?

A. The anchor hardly *retared* the barge.

Q. My question was, would it have held the barge offshore even [93] if it had been dropped half an hour before?

A. In my judgment, it would not have done much good.

Q. And that difference of time, a minute or two that might have been saved by having two men to drop the anchor, would not have worked to save the barge, would it?

A. No, sir, in my judgment it would not, the barge would have gone ashore just as fast.

Q. How many barges have Heally-Tibbitts?

A. Ten or twelve; they run to the same place.

Q. They can take rock off there? A. Yes, sir.

Q. Do you know any custom in the port of San Francisco of having chains for the anchor, instead of ropes?

(Testimony of G. M. Gilmore.)

A. A great majority have ropes, because the chain, in running overboard, saws the links.

Q. There is no federal regulation requiring them to have chains?

A. No, sir; quite a few go without anchors at all.

Q. When Silva got off the barge, were you there?

A. We went into San Rafael with the towboat and got right out; I guess it took us an hour and a half or two hours; he was off the barge then.

Q. He could have really jumped off and walked ashore, couldn't he?

A. Almost—not quite *quite.*

Q. The water was too deep for that?

A. It was not too deep, but it was 50 feet offshore; he could have stayed there until we got back.

Mr. HUTTON.—I don't think that makes any difference.

Mr. LILLICK.—Q. Do you know anything about Silva's condition of mind when the barge piled up there?

A. He was pretty well worked. He was a good man on the barge. **[94]**

[Testimony of A. H. Gilmore, for Respondent (Recalled).]

A. H. GILMORE, recalled for respondent.

Mr. CHAPMAN.—Q. You were the captain of the "Seven Bells" at the time this accident occurred?

A. Yes, sir.

Q. I will ask you how long you had been towing this barge for the Halversen Transportation Com-

(Testimony of A. H. Gilmore.)

pany. A. Since July 28, 1913.

Q. On the night of December 30, what time did you leave the Jackson Street wharf?

A. Between seven and half-past seven.

Q. What was the condition of the weather at the time you left?

A. It was raining and blowing, blowing hard.

Q. What was the condition of the sea?

A. A big heave on.

Q. From what quarter?

A. From the southeast.

Q. Who was on the board of the "Seven Bells"?

The COURT.—Himself and his brother.

Mr. CHAPMAN.—Q. How far did you proceed that night with the tow?

A. Between the seawall and half way to Alcatraz, a distance of about two miles.

Q. And you put back? A. Yes, sir.

Q. Why did you put back?

A. I thought the swell was running too hard, and being dark and raining, and it being so hard to get in up there, we put back.

Q. And when you put back you came to the seawall? A. Yes, sir.

Q. The next morning, December 31, what time did you leave for San Rafael?

A. Somewhere around eight o'clock, or a little after.

Q. What was the condition of the wind and weather at that time?

(Testimony of A. H. Gilmore.)

A. The wind had calmed down; the sea was running pretty good, yet.

Q. Were you up during the night?

A. Yes, I got up twice during the night.

Q. What was the condition of the weather during the night? A. It was howling.

Q. But in the morning it had calmed down?

A. Yes; I got up about [95] half-past six, and it was calming down; it stopped raining.

Q. Did you have any talk with your brother as to whether or not you should make the trip?

Mr. HUTTON.—I object to that, your Honor; the captain of the vessel talking to the deck hand—

Mr. CHAPMAN.—Well, you might call him the deck hand or the engineer.

Mr. HUTTON.—The very most that would show would be that the captain would not have confidence in his own judgment.

The COURT.—The objection is sustained.

Mr. CHAPMAN.—Q. What time did you leave, 7 or half-past 7?

A. About 8 or a quarter-past 8.

Q. What was your general course? I will ask you to look at this line on the chart and ask you if this was the general course, or the course that you took in making this trip, this lead pencil line drawn here between the seawall in San Francisco to a course in the cove on the Marin shore?

A. That is the general course.

Q. When you left, what was the condition of the wind in crossing over between the seawall and the

(Testimony of A. H. Gilmore.)

southeast point of the Marin shore?

A. About the same as when we left.

Q. What was the condition of the sea?

A. About the same.

Q. When you got off this point, you hauled in toward the shore, did you? A. Yes, sir.

Q. When did you first experience any bad weather? A. In here.

Q. What do you mean by "in here"?

A. Right between California Point and Point San Quentin.

Q. What change was there in the weather?

A. It started to blow squally and it rained hard.

Q. From what quarter did the wind blow?

A. From the south.

Q. A southerly direction? A. Yes, sir. **[96]**

Q. As you proceeded along to the mouth of the San Rafael Slough, did the wind become stronger or less strong?

A. It started to get squally on account of heading this point; heavy winds from over here always make it squally coming over here; you get about the same pressure here when it comes in puffs.

Q. Now, this is Point San Quentin, and from there to the mouth of the slough, the water is very shallow, is it not? A. Yes, sir.

Q. And that necessarily means that there is a heavy sea running here?

A. Yes, and on account of the deep water running up here.

Q. When you came along to San Quentin Point,

(Testimony of A. H. Gilmore.)

what was the condition of the weather?

A. Very stormy.

Q. At that time could you have turned back to seek any place of shelter? A. No, sir.

Q. Could you have gone into the cove indicated off the San Quentin Point?

A. No, sir, we could not get in there.

Q. And you could not turn back? A. No, sir.

Q. Why couldn't you turn back?

A. Because the sea was running too hard, it would part the line.

Q. You couldn't make any headway against the sea? A. No.

Q. You proceeded to the mouth of San Rafael Slough? A. Yes, sir.

Q. How much tow-line did you have out?

A. About 160 feet.

Q. Did you attempt to make San Rafael Slough?

A. We made our regular attempt to take in the line when we got off the entrance.

Q. How much line did you take in?

A. We took in about 25 feet and could not get any more. It ought to be about 30 or 40 feet from the barge.

Q. Did you attempt to make San Rafael Slough?

A. When we found we could not shorten our line, we run off.

Q. If you attempted to make San Rafael Slough, what effect would that have had on the barge?

A. We would have got the towboat in, but the barge would have piled up on the rocks, here. [97]

(Testimony of A. H. Gilmore.)

Q. Then what did you do?

A. We tried to get over behind Marin Islands.

Q. What were you doing at this time?

A. I was down in the engine-room.

Q. How did you get to Marin Islands?

A. We got right up here and found this point was too shallow. We had to go further to leeward. In trying to get back again, that is where we started to lose.

Q. Where did you try to go when you found out you could not get to Marin Islands?

A. We tried to go up again.

Q. When you found you could not make the islands, where did you go?

A. We tried to get by McNear's Point.

Q. What success did you meet with?

A. We got off here and we decided we would put in here with the barge.

Q. But you couldn't weather the point?

A. No.

Q. What is the formation of the point?

A. A rocky point.

Q. After you found you could not clear that point, what did you do?

A. The boat started to bump then.

Q. Which boat?

A. The towboat; when she ran on the sea she got the wheel out of the water, and the barge carried her up.

Q. In other words, you found your boat bumping?

A. Yes, sir.

(Testimony of A. H. Gilmore.)

Q. After you found that she was bumping, what course was the tow making? In other words, were you going ahead or going backwards?

A. We were drifting back.

Q. Drifting back toward this cove?

A. Yes, sir.

Q. Do you recollect letting go the tow-line?

A. Yes, sir.

Q. How far from the shore were you when you let go the tow-line?

A. About a quarter of a mile from here, where we expected to land.

Q. You mean about half a mile from the bend in the cove? A. Yes, sir.

The COURT.—A quarter of a mile, he said; you added a quarter to it. [98]

Mr. CHAPMAN.—Q. A quarter of a mile from where you let go to the beach of the cove?

A. Yes, sir.

Q. What was the formation of the points of that cove?

A. Rocky on both sides. This side was the worst.

Q. When you let the line go, what happened?

A. The barge started to drift, and the man that was forward dropped the anchor; we went right to San Rafael then; we waited around there until we saw her land on the beach.

Q. Where did she land?

A. She came right in there and came up and around here and landed here.

Q. On these rocks? A. Yes, sir.

(Testimony of A. H. Gilmore.)

Q. What depth of water was there when you let go the barge?

A. I should judge about 4 feet 6.

Q. What does the "Seven Bells" draw?

A. She draws about that much.

Q. And the barge draws about how much?

A. About 2 feet.

Q. In your experience in the towboat business, did you do all that you could for the purpose of *save* that barge from going ashore? A. Yes, sir.

Q. And, in your best judgment, was that the proper thing to do, to let her go at that place?

A. Yes, sir.

Q. In exercise of your judgment, was it proper for you to leave San Francisco on the morning of the 31st of December with that tow? A. Yes, sir.

Q. In making this trip that you made from San Francisco to San Rafael in the winter months, where do you experience the heaviest weather?

A. Right along in here.

Q. Where do you mean by "here"?

A. Angel Island and San Quentin.

Q. Where is that, relative to Southampton Shoals? A. Northwest.

Q. You experienced your heaviest weather there?

A. Yes, sir.

Q. In view of the weather that you experienced off this point that [99] you have indicated, do you feel you were justified in pursuing your journey that way? A. Yes, sir.

Mr. BELL.—Q. You were running the engine,

(Testimony of A. H. Gilmore.)

were you, at the time the line was dropped? Were you attending the engine? A. Yes, sir.

Q. What was the condition of the boat's propeller at that time?

A. She was jumping up and down as usual; the sea was running high; she would be out and in about every three or four minutes.

Q. If you had had a larger power boat than the "Seven Bells," what would have been the effect in that same position?

The COURT.—He would not have got in there.

A. We would not have got in; it was 4 feet 6—4 feet 6 above mean low water.

The COURT.— If he had a heavier tug in there—

Mr. BELL.—I don't mean in the creek, your Honor, I am referring to the time the tow-line was dropped.

The WITNESS.—*I* was high water then.

Mr.BELL.—I am now referring to that time, and if you had a higher power boat, would you have been able to keep the barge from going ashore where she did go ashore? A. No, sir.

Q. Why not?

A. Because the boat would have bumped on the bottom and the tow-line would have parted.

The COURT.—If you had a higher power tow-boat, you would have had a boat with a deeper draft, and you would not be in that position at all?

A. No, sir, I would not have been there at all.

The COURT.—So, we are discussing an idle thing, because a bigger boat would not have been there.

(Testimony of A. H. Gilmore.)

Mr. LILLICK.—Q. You never consulted the transportation company, as to when you should start out in the morning, or anything of that kind, did you? A. No, sir.

Q. You used your own judgment as to when you should go? A. Yes, sir. **[100]**

Q. You never received any telephone message from the transportation company that morning, telling you to go or not to go, did you? A. No, sir.

Cross-examination.

Mr. HUTTON.—Q. Is it not a fact that Mr. O'Brien rang you up that morning and told you not to start? A. No, sir.

Q. Did he ring your brother up? A. No, sir.

Q. Did you talk to Mr. Codding that morning?

A. No, sir.

Q. Didn't Mr. Codding go down that morning and tell you he had heard from San Rafael, and he didn't think it was safe to start?

A. No, sir, nobody came around at all.

Q. Did you, yourself, ring up San Rafael to ascertain what the weather was over there?

A. No, sir, I never went on the dock.

Q. You just started out because you thought you would take a chance?

Q. I was going to make a trip; I was one tide late, and I had to make a trip. I had vegetables and fruit.

Q. You made no investigations to find out what the sea was, or what the weather was? A. No, sir.

Q. Is it not a fact that the seawall is sheltered to

(Testimony of A. H. Gilmore.)

some extent, to a large exent, both from a southeast and a southwest wind?

A. You can see out in the bay ahead of you for a mile from the seawall; at night you cannot see.

Q. You started out on what the appearance of the bay was to you, did you? A. Yes, sir.

Q. And you made no other investigations, although you knew there had been a storm the night before, did you not? A. Yes.

Q. How long have you been a seafaring man?

A. I have been around the bay since 1904 and 1905.

Q. What boats have you ever been on?

A. I run on small launches, sailboats and scows.

[101]

Q. How long were you on the "Seven Bells"?

A. About three years.

Q. What had you been doing with her before?

A. Before this towing job, we were peddling vegetables and fruit with her.

Q. Was that the first towing job you had with her?

A. Yes, sir.

Q. And you had been runing her three years?

A. Yes, sir.

Q. Peddling vegetables where?

A. From up in the river countries down around San Rafael and San Francisco and Sausalito.

Q. That is. you would go and buy vegetables and take them around to the markets and try and sell them? A. Yes, sir.

Q. And then you got this contract and went into the towing business? A. Yes, sir.

(Testimony of A. H. Gilmore.)

Q. That was largely all the experience you had with her as a towboat, from July to December?

A. Yes, sir.

Q. Had you ever been on any other towboat at that time?

A. You mean at the time I had the "Seven Bells"?

Q. At the time you towed this barge, had you ever been on any other towboat, or on any other boat doing towing, than the "Seven Bells"?

A. No, sir.

Q. That was the first towing experience you had?

A. Practically, yes, sir.

Q. Who steered the boat?

A. My brother had it part of the way, when we left San Francisco.

Q. Sometimes you would steer and sometimes he would steer? A. Yes, sir.

Q. Did you look at the newspapers that morning to ascertain what the probabilities of the weather were? A. No.

Q. You made no prognostications as to weather, you simply started out because the bay looked fairly good to you? A. Yes, sir.

Q. What effect had the wind on you when you got to California Point? Did it blow you on there or off there?

A. It was coming right up behind us, it was on our course. [102]

Q. You had a fair wind from California Point down? A. Yes, sir.

Q. When did the wind cease to be fair?

(Testimony of A. H. Gilmore.)

A. After we could not shorten our tow-line, right off the mouth of the creek.

Q. In what direction was the wind then?

A. It hauled southeast and southwest, coming in puffs.

Q. Do you mean from southeast to southwest?

A. Southeast to southwest.

Q. Where did you have the southeast wind?

A. When we were coming up from California Point to San Quentin Point.

Q. Are you sure it was southeast there?

A. Yes, I think that is what they call it, a southeast wind, it was coming up the bay.

Q. Your brother said a minute ago it was southwest there. Are you right, or is he right; which do you think is right?

A. Well, it is all a matter of opinion. As a general direction, I would call it a southeast wind.

Q. Would a southeast wind at California Point be a fair wind for you? A. Yes, sir.

Q. Is it not a fact that it would not be, that it would be a beam wind?

A. Not exactly beam; I would not call it a beam wind.

Q. Where did you first strike the wind that had a tendency to throw you toward the shore?

A. After we got off the mouth of San Rafael Creek.

Q. Why couldn't you shorten your tow-line there?

A. When you round her and slow down, it pays right off.

(Testimony of A. H. Gilmore.)

Q. The wind got it?

A. Yes, the wind paid the bow of the barge off to the land, and at an angle like this, and you cannot take in any line, because there is a strain on it all the time.

Q. Why did you keep so close to shore?

A. The entrance to the place is right close to shore.

Q. How far did the barge go ashore from the quarry? How far was it from the quarry where the barge went ashore?

A. About one-eighth **[103]** of a mile.

Q. Where is the quarry, at what point?

A. The quarry is between McNear's Point and the point where the barge went on.

Q. It is right at the projecting point, is it not?

A. The quarry is in the cove, between the point where the barge went on and McNear's Point. There is another indenture there.

The COURT.—Q. You stated in some portion of your testimony that the wind pressure was probably the same there as on the bay, but coming over the hills it had a tendency to create squalls: Just what do you mean by that?

A. It makes a different direction to the wind; it will make a southwest wind out of a southeast.

Q. What do you mean by the wind pressure, do you mean the velocity? A. Yes, sir.

Q. Do I understand you to say that the velocity of the wind in there was the same as it was upon the bay, but coming over the hills it made it more difficult for you to handle the barge—is that right?

(Testimony of A. H. Gilmore.)

A. Yes; that is, up on the other side of San Quentin Point, north of San Quentin Point.

Q. Where did it increase in velocity?

A. It increased after we left California Point; that is where it started to increase.

Mr. HUTTON.—Q. Now, I will ask you this: Is it not a fact that the wind was blowing from your boat toward the hills, over the bay and toward the hills? A. Yes, sir.

Q. That is correct. How could the hills have had any effect on the wind, where you were?

A. It hit the hills and made a curve in the wind, making it squally.

Q. So the wind would come back against itself and come toward you? A. Yes, a whirlwind.

Q. That would have a tendency to blow you off shore, if such a thing was possible, wouldn't it?

A. Yes, along there. It was the **[104]** heave that takes you off shore.

Q. Was it the swell, or the wind, that put you ashore?

A. The heave, the swell running ashore and the wind in that same direction, and the weight of the barge, the sea carried it right ashore. The wind kept it over to that point all the time. The barge goes right where the sea carries her.

Q. Did you ever know anything like that happening before, that the wind struck a hill and then came back against itself and made a contrary wind?

A. Yes, sir.

(Testimony of A. H. Gilmore.)

Redirect Examination.

Mr. CHAPMAN.—Q. Just step up to the chart a minute: I am pointing now to California Point: When you reached California Point what was the direction of the wind?

A. It came right here.

Q. What direction would that be?

A. Southeast.

Q. So the wind was behind you coming up to California Point? A. Yes, sir.

Q. When you reached California Point you changed your course, did you? A. Yes, sir.

Q. That pencil mark indicates your course?

A. Yes, sir.

Q. Now, it appears from the pencil mark there that the course was changed. A. Yes.

Q. After you changed your course from California Point, did the wind continue to blow from the southeast? A. I would say it was southeast, yes, sir.

Q. When you got off San Quentin Point, from what direction was the wind blowing?

A. From there around, it was between southeast and southwest, it hauled around.

Q. It hauled around between southeast and southwest? A. Yes, sir.

Q. Did the wind continue to blow from between southeast and southwest during the rest of your voyage? A. Yes, sir. **[105]**

Q. And you say it was squally, besides?

A. Yes, very squally.

Q. With reference to Mr. Hutton's questions, that

(Testimony of A. H. Gilmore.)

the wind hit the hills and came back again, did you understand what he meant?

A. Yes, he figured out it would blow us away from the shore.

Q. What was the direction from which the wind blew after you left San Quentin Point?

A. The direction of the wind after we left San Quentin Point was about southwest.

The COURT.—Q. When did you first realize you could not make San Rafael Slough?

A. When we started to shorten the tow-line.

Q. When was that?

A. That was about 1000 feet from the mouth.

Q. How far were you then from the channel—I don't mean the channel of the slough, but the channel of those straits there. This is a shoal, and this is deep water. I understand part of the difficulty arose from getting on the choals and the engine not working. When you realized you could not get in here what was there to prevent you from taking deep water and avoiding those difficulties?

A. We could not get back to deep water this way; you could not go in there against a head sea.

Mr. HUTTON.—Q. You didn't have power enough to pull it?

A. No, sir.

The COURT.—Q. It was because of lack of power?

A. Yes, and on account of the power not being on the water.

Mr. HUTTON.—Q. It finally resulted in the barge

(Testimony of A. H. Gilmore.)

pulling you, instead of you pulling the barge. Is that correct?

A. Yes, sir, the boat drifted backwards.

Mr. BELL.—Q. You and your brother owned the "Seven Bells" yourselves? A. Yes, sir.

Q. Just you two? A. Just ourselves.

Mr. CHAPMAN.—We have not any more witnesses here this afternoon, your Honor. **[106]**

Mr. LILLICK.—I would like to put Mr. Cheda on the stand again.

[Testimony of V. J. B. Cheda, for Respondent.]

V.J. B. CHEDA, recalled.

Mr. LILLICK.—Q. How many tons of wheat were there in this shipment?

A. It amounted to $587 and some cents; it must have been about 25 tons.

Q. Do you remember having a discussion either with Mr. Codding or Mr. O'Brien, about the wheat, and finally learning that the only means they had of disposing of it was to sell it for chicken feed?

A. I talked with Mr. O'Brien. My advice to him was that it should be disposed of right away, as it would only swell and decay.

Q. And he did dispose of it?

A. I believe so.

Mr. LILLICK.—I heard this afternoon for the first time that you have not had the money for that; we will either send you that money to-morrow through Mr. O'Brien, or give it to you.

Mr. HUTTON.—It is a little late in the day to do that after being compelled to bring a suit.

(Testimony of V. J. B. Cheda.)

Mr. LILLICK.— I was very much surprised to find out this afternon about this. Mr. Gregory was as much surprised as I was to know that Mr. Cheda did not obtain the proceeds from the sale of the wheat. It was his understanding that Mr. Cheda and either O'Brien or Codding had a discussion about it, from what he hears over the telephone from Mr. Codding, and Mr. Cheda did not want the money, that he wanted the whole amount or nothing. I was not aware of that situation. I will have the money sent to you to-morrow.

The WITNESS.—Well, I am no lawyer, and I don't know what to tell you to do.

Mr. HUTTON.—Q. Did you know in advance that they were going to sell that wheat? Did they tell you they were going to sell it? **[107]**

A. That was the intimation they gave me.

Mr. LILLICK.—If your Honor please, I don't desire any point made on this from a legal standpoint. If Mr. Hutton had commenced this suit against us for the proceeds of that wheat, or made a demand on us for the proceeds of the wheat, he would have gotten it.

Mr. HUTTON.—You didn't even have the grace to make a tender in your answer.

Mr. LILLICK.—I simply found out about it this afternoon. I want the Court to understand we did not try to take the money and put it in our pocket.

Mr. HUTTON.—They had no right to sell the wheat, anyway.

Mr. LILLICK.—We will mail you the money to-

(Testimony of V. J. B. Cheda.)

morrow, Mr. Cheda, at San Rafael.

Mr. BELL.—If your Honor please, as far as Mr. Chapman and myself are concerned, we are willing, if Mr. Hutton wants to conclude his case now, to conclude our case now.

Mr. HUTTON.—I wanted to put Mr. O'Brien on. I cannot very well get along without him. I am exceedingly sorry I did not subpoena him. It is the first time I have ever been tripped up on a matter of that kind.

Mr. BELL.—It might possibly be, if it is not prying into your case, that we might admit what he will testify to.

Mr. HUTTON.—You won't admit it. We want to prove that on that morning he telephoned to Mr. Gilmore, and also Mr. Codding, and told him not to start on that voyage, that it would be unsafe to start.

Mr. BELL.—Well, I suggest that we put the case over, then, until Thursday afternoon.

The COURT.—Very well, Thursday at two P. M.

(The further hearing of the cause was thereupon continued to Thursday, January 29th, 1915, at ten A. M.) **[108]**

[Testimony of F. D. Young, for Libelant.]

Friday, January 29, 1915.

F. D. YOUNG, called, sworn and examined as a witness on behalf of the libelant.

Direct Examination.

Mr. HUTTON.—Q. You are connected with the United States Weather Bureau in San Francisco?

A. I am.

(Testimony of F. D. Young.)

Q. In what capacity? A. Assistant observer.

Q. Have you the record showing the condition of the weather in San Francisco, that is, the records of the United States Weather Bureau, for December 30th and 31st, 1913? A. I have.

Q. Will you please turn to them and tell us what the condition of the weather was, with reference to wind, commencing, say, at three o'clock in the afternoon of December 30, 1913, down to three o'clock the next day?

A. Do you want the maximum velocity,

Q. Yes.

A. It blew forty miles an hour between three and four.

Q. What hour was that? A. At 3:35 P. M.

Mr. LILLICK.—Q. What day was that?

A. December 30th. Thirty-seven miles an hour at 4:53 P. M.; thirty-six at 5:50; thirty-eight at 6:55; forty-two at 7:12; thirty-seven at 8:15; thirty-eight at 9:26; forty at 10;40, and thirty-seven at 11:05.

Mr. HUTTON.—Q. And coming down to December 31st, 1913?

Q. We only record the maximum velocities when they exceed thirty-six miles. There were none on the next day, except it blew forty miles an hour at 1:30 P. M. That was the only time it exceeded **[109]** that; that was the only time it exceeded thirty-six miles an hour.

Q. What were the conditions at one o'clock in the afternoon?

A. The wind was high. The total number of

(Testimony of F. D. Young.)

miles in the different hours from twelve to one A. M. was twenty-four, one to two; twenty-eight, two to three, and thirty, three to four.

The COURT.—Q. Is that in the morning?

A. Yes. Three to four, twenty-one; four to five, twenty-one; five to six, nineteen; six to seven, eighteen; seven to eight, twenty-two; eight to nine, twenty-one; nine to ten, twenty-three; ten to eleven, twenty-six; eleven to twelve, twenty-five; twelve to one, thirty-three; one to two, thirty-four; two to three, twenty-seven; three to four, seventeen.

Mr. HUTTON.—That is enough. Are those storm winds or otherwise?

A. We call them storm winds when the velocity exceeds thirty-six miles an hour.

Q. Those that you have given us for the 31st, are those average winds?

A. That is the total number of miles that the wind blew during those hours.

Q. That is the average for the hour, then. Is that the average for the hour? So that at some times during those hours the wind was higher than at others? A. Oh, yes, they were.

Q. There is nothing to show what the maximum was during those hours?

A. Except during one hour between one and two—between one and two: at 1:30 P. M. it blew forty miles an hour.

The COURT.—Q. But your record shows the average was thirty-four?

A. Yes, that was the total number of miles.

(Testimony of F. D. Young.)

Mr. HUTTON.—Q. State whether the storm signals were displayed in San Francisco during the whole of that time.

A. They were; they were put up at 7:30 A. M., on the 30th. **[110]**

Q. When were they taken down, in San Francisco?

A. Seven A. M., on January first.

Q. They were displayed continuously, then, during that time? A. Yes.

Q. Where are those observations taken?

A. From the roof of the Merchants' Exchange Building.

Q. Is that where the storm signals are displayed?

A. Yes.

Q. That is a high point in San Francisco, is it?

A. Yes.

Mr. HUTTON.—That is all.

Cross-examination.

Mr. LILLICK.—Q. In order that I may understand this correctly, on the 31st of December your records stopped at 1:30 P. M., and that means no wind in excess of thirty-six miles an hour?

A. Yes.

Q. And on the day following, that is, December 31st—

A. I thought that is what you had reference to.

Q. Yes; on the day following, December 31st, commencing at twelve midnight, December 30th, and the day following, December 31st, the record that you have given of the various hours from twelve to one and one to two, and two to three, specify the num-

(Testimony of F. D. Young.)

ber of miles the wind blew during those particular hours? A. Yes.

Q. Between twelve and one the wind blew twenty-four miles an hour? A. On December 31st?

Q. December 31st, from twelve to one?

A. Thirty-three miles.

Q. Yes, that is correct. And from twelve to one, the twelve hours just before that, it blew twenty-four miles? A. On December 30th?

Q. December 31st.

A. Oh, that is A. M., from twelve to one, twenty-four miles. **[111]**

Q. That means that the wind during that whole hour blew twenty-four miles? A. Yes.

Q. During the next hour it blew twenty-eight miles? A. Yes.

Q. During the next hour it blew thirty miles?

A. Yes.

The COURT.—Q. The wind blew with uniform velocity during that period?

A. No, it generally blows in gusts.

Q. How do you arrive at the figures you put down? You say you do not record the maximum unless it blows over thirty-six miles?

A. We count the total number of miles that the wind blows in an hour.

Mr. HUTTON.—Q. During some of those hours where the wind shows say twenty or twenty-five miles an hour, it may have blown up as high as thirty-five, during a portion of that hour?

A. It may have, yes, anywhere up as far as thirty-six miles.

(Testimony of F. D. Young.)

Mr. BELL.—Q. What was the velocity of the wind during seven and eight on the afternoon of the 30th?

A. The maximum, or the total number of miles?

Q. The maximum. A. Forty-two.

Q. What was it from eight to nine?

A. Thirty-seven.

Q. And from nine to ten? A. Thirty-eight.

Q. Ten to eleven? A. Forty.

Q. Mr. Young, were the storm signals up yesterday? A. They were put up yesterday afternoon.

Q. At what time? A. About two o'clock.

Q. And they were up all night? A. Yes.

Q. And up this morning? A. Yes.

Q. All morning?

A. I believe so. I am not sure whether they are down yet or not.

Mr. HUTTON.—Q. When a storm signal is displayed you cannot tell to the exact minute when the storm is coming, can you? **[112]**

A. No, sir, we cannot.

Q. It may come in a minute and it may come within five or six hours? A. That is true.

Mr. BELL.—Q. And it might not come for a day or so?

A. We always expect it within twenty-four hours when we hoist the signal.

Mr. BELL.—That is all.

[Testimony of J. M. O'Brien, for Libelant.]

J. M. O'BRIEN called, sworn and examined as a witness on behalf of libelant.

Direct Examination.

Mr. HUTTON.—Q. What is your occupation?

A. Well, I have been agent for the company over there in San Rafael.

Q. For how long?

A. I guess I have been working at it for the last six or seven years.

Q. You were the agent there for the Halvorsen Transportation Company for a long period, were you not? A. Yes.

Q. And you were such agent during the month of December, 1913? A. Yes.

Q. What did you do as agent?

A. Well, I saw that the freight was distributed right, and kept track of the business on that end.

Q. When the barges come in, you deliver the cargo, and load them up again, and send them out?

A. Well, I don't exactly do that.

Q. How many barges a day would you unload?

A. Just one barge.

Q. Do you know this barge that the Halvorsen Transportation Company were operating in December, 1913? A. Yes.

Q. About how large a barge was she?

A. Well, I could not give the exact measurements of her. It was a pretty good-sized barge. **[113]**

(Testimony of J. M. O'Brien.)

Q. Did she have a house on her?

A. Yes, there was a large house on her.

Q. About how high was the house?

A. I guess the house must have been at least eight feet.

Q. About how long was it?

A. Well, it covered the barge all except, I guess, about twenty feet.

Q. Was it as high as the barge?

A. Yes, it covered the whole barge.

Q. Have you an idea about how wide the barge was?

A. I think it was in the neighborhood of twenty-eight or thirty feet.

Q. Did that house make the barge more difficult to tow in a wind, when there was a wind?

Mr. BELL.—This man has not been qualified as an expert.

The COURT.—Objection sustained.

Mr. HUTTON.—Q. Have you had any experience in towing barges?

A. Well, I have never towed any of them myself, but I can tell pretty near what they can do.

Q. Do you know Mr. Gilmore, of the gasoline boat "Seven Bells"? A. Yes.

Q. The "Seven Bells" towed that barge at times, did she not? A. Yes.

Q. Did you ever have any conversation with Mr. Gilmore as to the capacity of that towboat to tow that barge? A. Well, yes, I did.

Q. What? A. Yes, I did.

(Testimony of J. M. O'Brien.)

Q. When?

A. Well, that was pretty near an every-day occurrence.

Q. What is that?

A. That was pretty near an every day occurrence.

Q. What did you say?

A. Well, we wanted him to get a smaller [114] boat.

Q. Did you want a smaller barge? A. Yes.

Q. Because you could not handle it, or what?

A. The barge was too large for his boat.

Q. She was too large for his boat? A. Yes.

Mr. LILLICK.—I object to that as calling for the conclusion of the witness.

The COURT.—Objection sustained.

Mr. HUTTON.—Q. Do you remember the morning of December 31, 1913. A. Yes.

Q. What kind of a morning was that, over in San Rafael?

A. Well, it was a very stormy morning.

Q. Do you know a towboat called the "Golden Eagle"? A. Yes.

Q. Who operated that boat at that time?

A. The same company, the Halvorsen Transportation Company.

Q. What kind of a boat is she?

A. Well, she is built for a towboat, a more powerful boat than the "Seven Bells."

Q. Was the "Seven Bells" buil*d* for a towboat?

Mr. LILLICK.—I object to that as calling for the conclusion of the witness.

(Testimony of J. M. O'Brien.)

The COURT.—Objection sustained.

Mr. HUTTON.—Q. Do you know whether the "Seven Bells" was built for a towboat, or not?

Mr. LILLICK.—Same objection.

The COURT.—Objection overruled.

A. Well, I don't know as she was built for a towboat; she was—unless they put an engine in her—

Q. What did she do before she had an engine put in her?

A. She was peddling, I believe, potatoes and one thing and another.

Q. Do you know what she did before that? [115]

A. I don't know what she did before that. I remember of seeing her come up the creek with potatoes and lots of things.

Q. Do you know what the horse-power of the "Golden Eagle" was?

A. I don't exactly know, but I think it is about ninety.

Q. Do you know what the horse-power of the "Seven Bells" was?

A. Yes; she is supposed to have fifty horse-power, Standard engine.

Q. On the morning of the 31st of December, 1913, did you have any conversation with Mr. Codding from San Rafael to San Francisco, over the phone?

A. Yes.

Q. Who was Mr. Codding?

A. Well, Mr. Codding was the man supposed to have charge of the other side, of the San Francisco side.

(Testimony of J. M. O'Brien.)

Q. What was the conversation?

A. Well, I telephoned that the boat wasn't there—the barge had not come in, and I asked him if the barge had left yet. He said, "Yes." I asked him if the "Golden Eagle" was lying there and he said, "Yes." I told him it would be a pretty good idea if he would connect up with the "Golden Gate," because that boat could never make that swing into the creek, the wind was blowing too strong.

Q. What did he say?

A. Well, now, that I can't say just exactly what he did say.

Q. Did he make any response at all?

A. Well, I think he says: "Oh, they will make it all right," or something to that effect.

Q. How long would it have taken the "Golden Eagle" to come from San Francisco to San Rafael, light?

A. She ought to be able to make it in at least an hour and a half, or an hour and three-quarters.

Q. What time of the morning was it that you had this conversation with Mr. Codding? **[116]**

A. As near as I can remember it was about half-past eight, or in that neighborhood.

Q. Did you see the barge and the "Seven Bells" when they got off the mouth of San Rafael Creek?

A. No, I did not see it until after it was wrecked.

Q. Did you see the barge after it went ashore?

A. Yes.

Q. What became of its cargo?

(Testimony of J. M. O'Brien.)

A. Well, there was quite a good deal of it washed overboard.

Q. Well, that that was not washed overboard, what became of it?

A. Well, there was quite a little of it stolen off of it that night.

Q. What is that?

A. There was quite a little of it stolen that night, off the barge. Well, there was a barrel of whiskey on the barge, but when we went up and got on the boat we could see that was gone— you could see the cargo had been ransasked.

Q. Do you know by whom?

A. Well, that morning when we went over there they all seemed to be feeling pretty good. There are quite a number of men working there.

Q. With respect to the wheat that was on the boat, what became of that?

A. We took all that was left on the boat off on to this other boat we brought down. I sold it at San Rafael.

Q. How much did you sell it for?

A. I couldn't say how much—a hundred and thirty-eight or a hundred and thirty-six dollars.

Q. Whom did you turn the money over to?

A. Well, I sold part of it to the Martins, and I turned the bill into the Halvorsen Transportation Company, and I turned the rest in in cash—I did not turn it in; I deposited it in the bank, which I always did, and then sent them the deposit slip for the amount—a duplicate.

(Testimony of J. M. O'Brien.)

Q. You have had some experience during the time you have been over there with the towing of those barges, have you not? [117] A. Yes.

Q. In your judgment was Captain Gilmore a competent man to handle that barge at that time of the year?

Mr. BELL.—That is objected to as calling for the conclusion of the witness, and no foundation is laid for it. This man has testified that he is not a towboat man.

Mr. HUTTON.—He has seen those barges handled over there by different captains.

Mr. BELL.—That would not qualify him to answer the question.

Mr. HUTTON.—Q. Did you ever see these barges taken along side of the dock—they were unloaded alongside of the dock?

A. Yes, I have seen it done at both ends, San Francisco and San Rafael.

Q. Who placed them alongside of the dock?

A. The towboat man was supposed to place them alongside of the dock.

Q. Did you see different captains do that work during the period that you were agent in San Rafael, different captains of different towboats? A. Yes.

Q. Covering how long a period?

A. Well, before the Halvorsen Transportation Company took it over we had the Crowley people. Before they took it they would handle one barge and one boat every day, just the same as these people were doing.

(Testimony of J. M. O'Brien.)

Q. What is that?

A. They would handle one barge every day just the same as the Halvorsen Transportation Company.

Q. How many captains have you seen handle those barges during that time you were agent over there, or over here?

A. I have seen quite a number of captains handle barges, because I have done work for those people in that line.

Q. Is it your duty to supervise the handling of the barges at the dock?

A. No, sir; it is up to the captain or the men [118] doing the towing to land there.

Q. Did you see a barge landed every day?

A. Yes—well, not every day; sometimes they would come in at night.

Q. I will ask you this question: Do you think that Captain Gilmore was sufficiently experienced to handle that barge, a competent man to handle it?

Mr. BELL.—Same objection.

The COURT.—Objection overruled.

A. No, I don't think he was an experienced man at the business.

Mr. HUTTON.—Q. On that morning of December 31, 1913, was there any barge loaded with freight taken over in the vicinity of San Rafael, that you know of?

A. Well, when I got down to Point San Pedro that day, why, they told me down there—

Q. I do not care what they told you. Did you see any barge?

(Testimony of J. M. O'Brien.)

A. No, there was no barge come in to San Rafael.

Q. Was there a barge that came into San Rafael that morning? A. No, sir.

Mr. HUTTON.—I think that is all.

Cross-examination.

Mr. BELL.—Q. Did you phone Mr. Codding, or did Mr. Codding phone you, on the morning of December 31st? A. I phoned him.

Q. From San Rafael? A. Yes.

Q. At the time you phoned him you thought the "Seven Bells" had left the night before?

A. I asked him where the boat was and he said it was gone. As a general rule they could get in at night, unless it was on account of the tide, and then they would come in early in the morning.

Q. You were with the Halvorsen Transportation Company, were you not, in July of 1913?

A. July of 1913? [119]

Q. Prior to the time this accident occurred?

A. Yes, I guess I was. I have been with them from the time that they took the business.

Q. You knew during all of that time that the "Seven Bells" did tow this barge back and forth between San Fancisco and San Rafael? A. Yes.

Q. And you knew that Mr. Gilmore was operating the "Seven Bells"? A. Yes.

Q. Now, this conversation you had with Mr. Gilmore, Mr. O'Brien, was not that with reference to navigating the barge in San Rafael Creek?

A. No, sir.

Q. You are sure of that that? A. Yes.

(Testimony of J. M. O'Brien.)

Q. When did that conversation take place?

A. That conversation took place pretty near every time he came in. It was not one conversation but it continued during that time he was around there.

Q. What was the substance of that conversation?

A. Well, the barge was too big for him to handle with the house on it.

Q. Did you ever have any accident prior to this time?

A. Not on account of the towing. It was too hard towing for the boat.

Q. You had never had any trouble prior to this accident?

A. No, sir. Of course we were late many times, but not any such troubles as that.

Q. Well, now, when was the first conversation you had to that effct, with Mr. Gilmore?

A. Well, that I can't tell you.

Q. Was it a month or two before this accident happened?

A. Oh, no. It was a conversation from the time he started in to run. He seen that it was too heavy for him to handle. [120]

Q. You do not know what the horse-power of the "Golden Eagle" was?

A. I don't know exactly, but I think she is about ninety horse-power.

Q. The "Seven Bells" was a fifty horse-power boat?

A. She was a fifty horse-power, Standard engine.

(Testimony of J. M. O'Brien.)

Q. Capable of developing a little bit more?

A. Well, that is what they all say, they are capable, but whether they do it or not is another thing.

Mr. BELL.—That is all.

Mr. LILLICK.—About this conversation you had with Mr. Codding over the telephone, you testify that as near as you can remember the conversation was about 8:30 in the morning? A. Yes.

Q. How do you fix the hour at 8:30 in the morning? A. Well, in that neighborhood.

Q. What caused you to telephone to Mr. Codding?

A. Why, she was storming over there.

Q. Did you see Mr. Cheda before you telephoned?

A. Did I see Mr. Cheda before I telephoned?

Q. Yes.

A. I think that Mr. Cheda came in about the time I was telephoning, looking for his wheat, because the wheat was shipped the day before, and left over on the wharf on this side, it was not taken up until the next day.

Q. Do you remember Mr. Charles Codding's telephone number at his house?

A. The telephone number at his house?

Q. Yes. A. No, I do not.

Q. Did you know it while you were working for them? A. No, sir.

Q. Did not you know his house telephone number?

A. I suppose the house telephone number was in the book, but I never paid any attention to that.

[121]

Q. Do you know what time he usually came down

(Testimony of J. M. O'Brien.)

to his office? A. That I could not tell you.

Q. I am now attempting to fix this telephone conversation you testify that you had with him, whether you had it with him at his house, or whether you had it with him after he came to his office?

A. I do not think I had it with him at his house. I had it with him at his office.

Q. He was down there at the office when you telephoned? A. Yes.

Q. What did he say about the "Golden Eagle" when you asked him about the "Golden Eagle"?

A. Well, that I could not exactly say. I asked him if the "Golden Eagle" was there and he said yes, she was lying here at the wharf. I told him that I did not think this boat could make it, and it would not be a wise thing for him to start out with it. He put it off this way, that he thought she would make it all right.

Q. Do you know whether or not the "Golden Eagle" belonged to the Halvorsen Transportation Company?

A. It is reported as belonging to them. They were using it at the time.

Q. Were they using it, or were the Gilmores using it? A. They were using it.

Q. So that in saying Halvorsen Transportation Company, you are not distinguishing in your own mind between the Halvorsen Transportation Company and the Gilmore boys, who were running the launches. In other words, you do not know whether the "Golden Eagle" belonged to the Halvorsen

(Testimony of J. M. O'Brien.)

Transportation Company or whether it belonged to the Gilmores?

A. Oh, yes, I got a pretty good idea that it belonged to the Halvorsen Transportation Company.

Q. That is only what you think about it; you don't know?

A. According to the records it belongs to them. [122]

Q. Did the "Seven Bells" belong to them?

A. Belong to who?

Q. The Halvorsen Transportation Company.

A. No, sir.

Q. Whom did it belong to?

A. Well, that belonged to the Gilmores.

Q. Then the Gilmores owned the "Seven Bells" and the Halvorsen Transportation Company owned the "Golden Eagle"? A. Yes.

Mr. BELL.—Q. You never saw the Gilmores on the "Golden Eagle," did you? A. No, sir.

Q. They never ran it, to your knowledge?

A. Not to my knowledge, no, sir.

Q. Now, these conversations that you had were with the captain of the "Seven Bells"? A. Yes.

Q. Gilmore was the captain of the vessel?

A. Yes.

Q. Was there anybody else around when you had the conversations with him?

A. His brother was there all the time.

Q. You are sure you had that conversation with the captain of the "Seven Bells"? A. Yes.

The COURT.—Q. Did you ever report to the Com-

(Testimony of J. M. O'Brien.)

pany that Mr. Gilmore was, in your judgment, inexperienced?

A. They knew it; they were going to make a change; they were figuring on some one to take his place, but they were never able to get anyone to take his place.

Mr. LILLICK.—Q. Have you had any trouble with the Gilmores, any personal trouble?

A. No, sir.

Q. You have no feeling against them at all?

A. No, feeling toward them, as far as I know.

Q. Who of the Halvorsen Transportation Company did you say anything to about Mr. Gilmore's competency?

A. Well, they knew it themselves. He was fighting with them all the time.

Q. You never talked to them about it?

A. Well, Mr. Codding [123] said he was going to make a change just as soon as he could get somebody to take his place.

Q. It is only your conclusion as to what you think Mr. Codding knew of Gilmore's competency?

A. It is no conclusion. They knew it.

Q. How do you know they knew it?

A. Well, I have talked to George Codding about it.

Q. What did you say to him about it?

Mr. BELL.—That is objected to as not binding upon us.

A. He said he would make a change just as soon as he could get somebody to take his place, but he didn't want him to leave him in a hole. He did not

(Testimony of J. M. O'Brien.)

want to say much to him because he was afraid Gilmore would quit and leave him in a hole.

Mr. LILLICK.—Q. Did you have more than one conversation with Mr. Codding about it?

A. That I could not say. It ran along during that period and I could not say whether I had one or two, or a dozen.

Q. What led up to that conversation you had with the Gilmores, over there in San Rafael?

A. What is that?

Q. What led up to this talk you had with the Gilmores over in San Rafael?

A. He had some talk with Mr. Codding.

Q. How do you know that?

A. Well, according to the way he had told me.

Q. That is all you know, what Mr. Gilmore told you about it, and not what you told Codding?

A. Mr. Codding and myself talked about it.

Q. You do not know how many times you talked about it? A. I could not tell you that.

Mr. BELL.—Q. You never had any accident before that led you to think that these people were not competent? A. No, sir.

Q. That is just your private opinion? **[124]**

A. No, from their own opinion.

Q. You mean to say that Mr. Gilmore himself thought that he was not competent?

A. The barge was too big for him. Many a time he would leave the barge up there and go back with the towboat.

(Testimony of J. M. O'Brien.)

Mr. HUTTON.—Q. What is the "Golden Eagle" used for?

A. Why, she was towing barges around there, towing our barges. They had, I think, three other barges besides that one at that time. I don't know just exactly how many, but they had a couple more.

Mr. HUTTON.—I think that is all.

[Testimony of G. C. Codding, for Libelant.]

G. C. CODDING, called, sworn and examined as a witness on behalf of libelant.

Direct Examination.

Mr. HUTTON.—Q. You are connected with the Halvorsen Transportation Company, are you not?

A. Yes.

Q. And in what capacity?

A. I was a stockholder in the company.

Q. Were you president or secretary, or something, also? A. Secretary of the company.

Q. You were not actively engaged in this freight carrying business, that is, personally you were not?

A. No, sir.

Q. Your business was uptown in some other business? A. Yes.

Q. Can you remember who the stockholders of the Halvorsen Transportation Company were on December 31, 1913? A. I think I can.

Q. Sir? A. I think I could give them to you.

Q. Give us your best recollection.

Mr. LILLICK.—We object to that on the ground that it is not the best evidence. I do not want to

(Testimony of G. C. Codding.)

make any technical objections, but we will let you see the books and will stipulate that the stockholders of the Halvorsen Transportation Company as shown by **[125]** those books, which you may see later, were the stockholders at the time of this loss.

Mr. HUTTON.—He says he can remember them.

Mr. LILLICK.—Q. Can you remember them?

A. I could not be sure that I know all of them.

Mr. LILLICK.—I do not care to be bound by Mr. Codding's testimony when he is speaking from his recollection. We will give you the books.

Mr. HUTTON.—That is all, Mr. Codding. We rest.

Mr. LILLICK.—We will have Mr. Codding as our first witness.

Q. You heard the testimony of Mr. O'Brien here about the conversation he said he had with you regarding the competency of the Gilmores—you heard Mr. O'Brien's testimony in that particular?

A. Yes.

Q. Do you know anything about Mr. Gilmore with regard to his competency in the handling of a boat?

A. I visited San Rafael occasionally and had a conversation with Mr. O'Brien in regard to the Gilmores, and Mr. O'Brien complained of the manner in which the captain of the boat was handling the the business. His main objection was the manner in which he attended to loading and unloading, that he would not follow Mr. O'Brien's directions. He made a great many objections to us on the conduct of the affairs of the company at that end.

(Testimony of G. C. Codding.)

Q. Did you hear anything at all about Captain Gilmore's competency as a navigator?

A. I do not recollect that question came up at all. I am satisfied—I never questioned his competency as a navigator, or heard it questioned.

Q. You never heard his competency as a navigator questioned? A. Not as a navigator; no, sir.

Q. The objections that came from Mr. O'Brien were objections as **[126]** to what was done about loading and unloading the barges?

A. Yes, unloading and loading them. He was the superintendent there, and the men were somewhat insubordinate, did not always follow his directions, and he thought they ought to. In other words, he thought we did not get as good service as we might.

Q. Did you ever hear anything about the barge being too big a barge for the launch that had been provided by the Gilmores to tow it?

A. I do not remember positively of any conversation in regard to it. We would have preferred to have a stronger tugboat at times of very severe winds, but it was very difficult and impossible to get any boat to do better than that, because the draft there, or the channel, is very shallow, and you could not use the "Golden Eagle" in San Rafael Creek. That was the best boat we could use. We concluded right along we had the best tow available for that purpose.

Q. In the agreement that the Halvorsen Transpor-

(Testimony of G. C. Codding.)

tation Company had with the Gilmores, which is in evidence here and marked exhibit "A" of defendant Halvorsen Transportation Company, I will ask you whether or not any question ever arose between the Gilmores and yourself about the service they were furnishing for your transportation?

Mr. HUTTON.—I do not think that is material. It would not be binding upon the libelant.

The COURT.—Objection overruled. Your question again, please?

(Question read.)

A. Well, I did not take the matter up—I did not take up a matter of that kind personally at all with the Gilmores. I never took the matter up at all. I discussed the matter with my brother, who was superintending the business at this end, and Mr. O'Brien, as I said, objected because they did not follow his **[127]** instructions about loading and unloading at certain hours, that sometimes they would not carry out the instructions of Mr. O'Brien, or my brother, at this end.

Mr. LILLICK.—Q. My question was whether or not any question ever arose between you and the Gilmores as to the efficiency of this launch they were using? A. No, sir.

Mr. LILLICK.—That is all.

Mr. HUTTON.—Q. You are not Mr. George R. Codding, are you? A. George C. Codding.

Q. Your brother is George R.? A. C. R.

Q. He was the man that had the actual charge of the business at this end, was he not?

(Testimony of G. C. Codding.)

A. At that time, in December—during that period?

Q. At that time.

A. Oh, no, we had a number of superintendents. Mr. H. C. Halvorsen had charge for a number of months before that.

Q. When did your brother take charge?

A. My brother took charge during September, I think, or October first. He had charge for several months.

Q. How long did he continue in charge?

A. He continued in charge from that time on down through all of this period.

Q. He was in charge, then, during December, 1913? A. He was in charge at San Francisco.

Q. Was he one of the officers of the Halvorsen Transportation Company? A. A director.

Q. Did he hold any other office? A. I think not.

Q. He was superintendent, was he, at this end?

A. Well, he supervised the work, you might say.

Q. He was superintendent of the dock at this end?

A. Well, that wasn't his title, but he assumed duties—

Q. What did he do down on the dock?

A. Well, he watched the **[128]** incoming and outgoing of the boat—he was crippled at that time and walked on crutches.

Q. Did you have anybody in charge of your business down there at that time? A. He had charge.

Q. He was in charge?

(Testimony of G. C. Codding.)

A. He was in charge, but I do not know just what title he had.

Mr. BELL.—Q. What is the horse-power of the "Golden Eagle"?

A. Eighty, as I have always been informed.

Q. Do you know what her draft is?

A. Well, I understood it was five or six feet, but I wouldn't testify positively.

Mr. BELL.—That is all.

Mr. LILLICK.—We offer in evidence the deposition of Charles R. Codding. It is six pages long, and I should like to read it, if we are going to argue this case early this afternoon.

(Deposition of Charles R. Codding read.)

Mr. LILLICK.—I would like to state that yesterday or the day before Mr. Codding went to San Rafael and learned that Mr. Martin had realized $108 from the sale of this wheat, and a San Francisco draft was sent to Mr. Cheda for that $108. If any money has been turned in to the Halvorsen Transportation Company for the sale of wheat, it will be sent to Mr. Cheda.

Mr. HUTTON.—Our contention is that there was no right to sell the wheat at all. They had no right to offer that as a tender.

Mr. LILLICK.—I want the Court to understand that my clients are not trying to take that money that was realized from that wheat. We are standing upon our defense.

(Testimony of Thomas Crowley.)

Mr. HUTTON.—The tender payment has nothing to do with it.

Mr. LILLICK.—There is nothing before the Court. I do not claim that is a tender at all. **[129]**

Testimony of Thomas Crowley [for Defendant.]

Testimony of THOMAS CROWLEY, called, sworn and examined as a witness on behalf of defendant Halvorsen Transportation Company.

Direct Examination.

Mr. BELL.—Q. What is your occupation?

A. Manager of the Crowley Launch and Tugboat Company.

Q. How long have you been engaged in that business? A. Twenty years.

Q. In the Bay of San Francisco here? A. Yes.

Q. How many boats have you, Mr. Crowley?

A. Over fifty.

Q. How many did you have in December of 1913?

A. Nearly the same number.

Q. Do you recollect, Mr. Crowley, the 31st day of December, 1913, as to what the weather was in the morning at about eight o'clock?

A. Yes. I was in my office at eight o'clock.

Q. How was the weather?

A. It had been blowing a little, nothing to speak of, just an ordinary breeze at that time.

Q. On that day did you go out on the Bay yourself, Mr. Crowley? A. Yes.

Q. What were the circumstances under which you went out?

(Testimony of Thomas Crowley.)

A. At about eleven o'clock I received a phone message from Fort Baker, from one of the crew of the schooner "Albion," that had been laying there with a load of coal at Fort Baker wharf, and he said it has been blowing during the night and that they did not want to stay there any longer, because it did not look as though it was going to get any better, and they did not think they could get away with the balance of their cargo. So I really did not like to see them come back without finishing the discharge of their cargo, so I took a boat and went over there; I left about eleven o'clock and on the way down I signalled our office **[130]** at the Exposition Grounds. It was raining, kind of misty, and I could not see across by the time I got over there, which I think was around twelve o'clock. The schooner was on the beach. It began to blow about eleven o'clock just about the time I was leaving. It commenced to blow, and it blew pretty hard, and the schooner was on the beach. She had two anchors out and her mooring lines—she had parted all lines, and she slipped both anchors. We had a piece of six by eight, and made a heavy line and cast it to her, floated it in. One of the crew of the schooner went out in the water to his waist and got the log and passed line through her hawser.

Q. At eight o'clock that morning, in your opinion of the weather conditions, was it proper to start out from San Francisco for San Rafael with a vessel such as the "Seven Bells," towing a barge sixty-eight by thirty-eight feet?

(Testimony of Thomas Crowley.)

Mr. HUTTON.—I object to that on the ground that no foundation has been laid.

The COURT.—Objection overruled.

A. If it was my boat I would have sent her out on that journey.

Mr. BELL.—Q. Had you, Mr. Crowley, had any experience at that time in towing to San Rafael?

A. Yes, we towed there frequently.

Q. What is the nature of San Rafael Creek with reference to navigation?

A. Well, it is shallow and there is a flat out in front of the creek.

Q. Can you get into that creek at low tide?

A. Not unless you have a mighty shallow draft boat.

Q. Do you know the launch "Seven Bells"?

A. Yes.

Q. Did you know her at that time? A. Yes.

Q. Do you know the Halvorsen Transportation Company barge that **[131]** was towed back and forth between San Francisco and San Rafael?

A. Yes, I know the barge that has the house on it.

Q. What would you say, Mr. Crowley, as to the efficiency of the launch "Seven Bells" for the purpose of towing that barge from San Francisco to San Rafael?

A. Well, she was a boat that was quite capable of handling that barge between San Rafael and San Francisco.

Q. Was she capable of handling that barge in all

(Testimony of Thomas Crowley.)

usual weather to be expected on the bay?

A. Well, sometimes we have pretty heavy winds, and it is not the best policy in the country to start out, no matter what kind of a boat you have got. Take our business, we do not go unless conditions are favorable, so I would say that that boat, everything considered, would be amply big enough and capable to handle that barge under any ordinary conditions.

The COURT.—If they started out right. I want to get your idea exactly. You hesitated in your answer, whether it was a boat that could handle the barge in weather that might ordinarily be expected.

A. You could not use a bigger boat.

Q. You could have used a smaller barge?

A. Not very well. That barge is what we consider a very small barge. It was a small barge. It is not more than a little over a hundred tons, or a hundred and fifty.

Q. What do you say as to the competency of the "Seven Bells" to handle it?

A. I say she was capable of handling that barge on that run.

Q. What happened on this day in question here?

A. Well, there was an unusually heavy blow; it was squally. It came on suddenly. It put a schooner on the beach at Fort Baker. We were on the **[132]** lee shore and we could not hold her during the blow when she went on, if we had been there.

Mr. BELL.—Q. Do you know Captain Gilmore, of

(Testimony of Thomas Crowley.)

the "Seven Bells"? A. Yes.

Q. Do you own any barges yourself? A. Yes.

Q. How many? A. About thirty.

Q. What would you say as to the size of this barge, is it large or small?

A. I would call it a small barge.

Q. Such a barge as this, what power boat are you accustomed to send out with such a barge, yourself?

Mr. HUTTON.—I do not think that is material, unless it is exactly the same, or in the same condition.

The COURT.—Objection overruled.

A. Well, I did some business with that company and I sent out about the same sized boat on the job, the same engine.

Mr. BELL.—Q. Is it possible to get into San Rafael Creek with a boat of heavier draft than the "Seven Bells"?

A. You can get in at high tide once in a while, but the most practical boat would be a boat of the draft of the "Seven Bells."

Mr. LILLICK.—Q. Would you that morning, had you yourself been running the "Seven Bells," deem it, in your judgment, a proper thing to do to start out with the weather in the condition it was that morning, December 31st?

Mr. HUTTON.—Same objection. It is purely a question of law.

The COURT.—Objection overruled.

Mr. LILLICK.—Q. With a barge of that size that

(Testimony of Thomas Crowley.)

was used that morning?

A. Yes, I would have sent her out.

Mr. LILLICK.—That is all.

Mr. HUTTON.—Q. How much water did the "Seven Bells" draw?

A. She drew about four feet. **[133]**

Q. The draft of water hasn't anything to do with the horse-power of a boat?

A. The draft of water hasn't what?

Q. I say the draft of water of a boat hasn't anything to do with its horse-power?

A. The draft of water helps.

Q. There are such things as gasoline boats of four foot draft that are seventy-five or eighty horse-power? A. No, sir.

Q. How do you know?

A. Well, because you have a certain size wheel and of course the bigger the engine the more draft the boat must have.

Q. Suppose you put the same size wheel and turn it up faster, you get more horse-power?

A. Not for towing.

Q. Have you ever tried to do that and see whether the speed of the engine does not cut some figure in the power development?

A. It is not practical, What you want is a big wheel, large in diameter, and turn it slowly, and then you get good results in towing.

Q. Isn't it possible to get it another way? Let me ask you this question: Isn't it possible to get it

another way in a light draught boat, by putting on a small wheel and turn it up faster? Do you lose efficiency in your engine by doing that?

A. The engine would be turning so fast that it would soon rack itself to pieces.

Q. It would have to run a thousand turns a minute to run so fast as to lose its horse-power, wouldn't it?

A. What do you mean by "lose its horse-power"?

Q. At what speed would it turn so fast that it would lose its power?

A. If you started to take a seventy-five horse-power engine and put on a smaller wheel, and turn it up faster, why, you would have trouble with your engine—your engine would be turning over too fast. Now, this forty horse-power engine **[134]** that was in this "Seven Bells" does not turn at a speed of over three hundred and fifty or four hundred revolutions a minute, say, now, if you would get it going up higher than that, why, you would have trouble with your engine, and you would not get very far with it.

Q. There are some engines that turn faster than that?

A. Not these engines here. That is the reason why these California engines, such as these local men make here, are more successful, because they are slower turning engines.

Q. Haven't you seen gasoline engines around on the Bay here that develop horse-power as high as a hundred or a hundred and fifty?

(Testimony of Thomas Crowley.)

A. Well, they may be for speed purposes, but not for towing.

Q. Haven't you seen such boats? A. Yes.

Q. Are you a mechanical engineer? A. No, sir.

Q. Have you ever studied the effect of the velocity of the propeller on the number of turns it makes, with reference to the power it developed?

A. No, sir. That is outside of my practical experience.

Q. Are there not many light draft boats in San Francisco, gasoline boats, that do not draw over four feet of water, that develop much more than fifty horse-power?

A. There may be a dozen boats of that kind that have a flat stern for shallow water work, or something of that sort.

Q. Do you send out boats on trips as far as from San Francisco to San Rafael when the storm signals are flying?

A. I wouldn't pay any atention to the storm signals.

Q. You would not pay any attention to them? Why not?

A. No, because they may put the storm signal up and the blow may not come for forty-eight hours after. You could not engage in business if you go along depending on those storm signals. **[135]**

Q. You would take the chance whether it came within a few minutes or twenty-four hours?

A. I would take the chance on our experience, from knowing the weather conditions ourselves. I

(Testimony of Thomas Crowley.)

would take chances on my judgment in preference to those of the storm signals.

Q. You would pay more attention to your own judgment than you would to the storm signals?

A. In this way; if the storm signals were set, and the weather looked threatening or bad, I might hold off, but if the storm signals were set, and the weather did not look bad, why, I would go.

Q Do you call twenty-two miles an average wind, twenty-two or twenty-three miles?

A. I would call it a breeze, that is all.

Q. A strong breeze?

A. Just a strong breeze, that is all.

Q. Do you know how large the house is on the Halvorsen Transportation Company's barge?

A. How high it is?

Q. How large the house is.

A. I should say it was about nine or ten feet high.

Q. You got that from the testimony of a witness on the stand here?

A. No. I think that witness testified that it was a little low. He said eight feet.

Q. Your barges as a rule have no houses on them?

A. Yes, we have houses on our barges.

Q. How many? A. One.

Q. Do you use them constantly?

A. Frequently every day, now.

Q. A barge with a house on it is a much harder boat than one without a house on it, in the wind?

A. Oh, naturally it catches the wind.

Mr. HUTTON.—I think that is all. [136]

(Testimony of Thomas Crowley.)

Mr. BELL.—Q. In a storm such as occurred on the 31st of December, 1913, what would be the condition with reference to navigation in the shallows just off the louth of San Rafael Creek?

A. Well, if you got into that shallow water with a boat you would not get the same efficiency that you would in deep water.

Q. Why is that, Mr. Crowley?

A. Well, being so close to the bottom. That is, you would be hitting the mud occasionally, and you do not get the efficiency when you get so close to the bottom as you would in deep water.

Q. What effect does the striking of the mud have on the stering of the vessel, if any?

A. Well, it depends on how hard you strike it. You might sheer from one side to another, by striking it.

Mr. BELL.—That is all.

Mr. HUTTON.—Q. Mr. Crowley, an experienced navigator under those circumstances would try to get away from the shallow water, would he not, and would it not be proper navigation to keep over on the other side of the channel, and keep in the deep water?

A. No, sir. He could have gone around McNear Point or Petaluma Flats.

Q. You think the proper thing to do would be to go over into danger?

A. No, I don't think that would be going into danger.

Q. And if that boat was not able to handle the barge, would that indicate to your mind that it did

(Testimony of Thomas Crowley.)

not have the capacity to handle her?

A. That boat would have handled that barge, except under the conditions as they existed at that time. It came on in mighty hard squalls.

Q. Doesn't it always blow that way in San Francisco?

A. No, sir. I remember that particular day as being a mighty [137] hard blow.

Q. Did you ever know of its blowing any different in the winter-time in San Francisco except in squalls?

A. Yes, I have known it to blow steady.

Q. When?

A. All the time. That morning that schooner lost her anchors and went on the beach. That is an unusual occasion.

Q. Do you remember that particular morning?

A. Yes, because I was there myself.

Q. Do you remember how the weather was on the 29th of December, 1913?

A. Well, it had been blowing previous, the day previous. This was on December 31st. On the 30th it had been blowing. I don't really know how it was on the 29th.

Q. How long had the weather been bad at that time?

A. It had been, off and on, bad for two or three days.

Q. How many days? A. Two or three.

Q. And the fact that it continued so long would indicate to your mind, would it not, that it was going

(Testimony of Thomas Crowley.)

to continue until it cleared up finally?

A. No, sir.

Mr. HUTTON.—That is all.

The COURT.—Q. You say, Mr. Crowley, that when you get into shallow water that reduces the efficiency of your tug? A. Yes.

Q. It seems to me that the policy would be to keep in the deeper water and retain the efficiency of your tug?

A. Under ordinary conditions, if he had stayed in deep water he would have got into worse water, that is, in the particular location he was in.

Q. He could always cast off?

A. Well, he would have got out in there in front of McNear's Point, or one of those places in there and he could not have held his vessel at all. [138]

Q. What do you mean by "his vessel"?

A. His barge.

Q. He did not hold his barge. That is what this suit is about. He cast off the barge. He could always have cast it off?

A. He started off here with the barge in tow. He was bound for San Rafael.

Q. And he was bound to exercise all due care to land her at San Rafael?

A. He did the proper thing by trying to get into San Rafael. I saw where he went ashore.

Q. I cannot understand why in a stormy weather a tug loses its efficiency by going into shallow water.

A. It was high water around from eleven to twelve o'clock. He had his barge in tow, at high water, and

(Testimony of Thomas Crowley.)

the proper thing to do was to try and go right over to San Rafael, but when he gets on these flats, and these squalls come, then he loses his efficiency, some of the efficiency, from his being in shallow water, and it might render him powerless, whereas, if he went out into deep water, and met these same squalls, he never had a chance at all.

Q. A chance for what? He would always have a chance to cast off?

A. Well, really, by getting in on the flats with his boat and his barge, if he did get into bad water, she might go up on the mud flats—she might go up on the shore, and she really wouldn't do any damage, or she might go out a little beyond the mud and get on the rocks.

Mr. HUTTON.—Q. The fact that he could not pull out into deep water, would that indicate to your mind that the boat was not of sufficient capacity to handle that barge?

A. The fact that he could not pull out into deep water?

Q. Suppose the towboat tried to pull the barge out into deep water, and she was unable to do it, would that indicate to your [139] mind that the towboat was not of sufficient capacity to handle the barge?

A. He could have gone out into deep water.

Q. Suppose he tried to and could not, would you say then that the towboat was not strong enough?

A. Well, in a gale or in a squall that he got that morning, why, I would not care what boat he had, he

(Testimony of Thomas Crowley.)

was in a bad condition.

Q. According to your theory, then, Mr. Crowley, it did not make any difference how strong a boat or how light a boat this was? A. No, sir.

Q. How do you know that a strong boat could not have pulled that barge out?

A. Could not have pulled her out where?

Q. Out into deep water.

A. He could have pulled her out into deep water.

Q. Well, suppose a condition arose, Mr. Crowley, such that indicated to a man who was navigating a boat that it was the proper thing to do to get into deep water, and he tried to get into deep water and could not get into deep water, on account of the insufficient capacity of the boat, would that indicate to your mind that the boat was not strong enough?

A. No. He might get out of the channel and get into mud, or something of that sort.

Q. Well, suppose that was all past and gone, and that he got up opposite some of those mud flats and then tried to go out into deep water, tried to pull the barge out into deep water, and he could not do it, would you say then that the boat was strong enough to pull that barge?

A. The towboat was strong enough to pull that barge under any ordinary conditions, except those particular squalls or heavy winds that morning.

Q. Do you consider it a proper thing, then, for a towboat man to send a boat out to tow a barge that can only handle herself [140] in smooth water?

A. We do not take towboats out and try to do any-

(Testimony of Thomas Crowley.)

thing with them except under favorable conditions, and when there are heavy winds we do not handle them at all.

Q. Do I understand by that answer that it is up to the towboat man to know the conditions of the weather, the currents, the channels and the tides and everything relating to the handling of towboats?

A. Yes. Naturally he can tell what is going to happen.

Q. Still you say you would take a chance on a morning like that?

A. A man has to take a chance.

Mr. HUTTON.—That is all.

Mr. BELL.—Referring to the map which was used the other day, I would like to introduce this map as Libelant's Exhibit "A." It was not formally introduced the other day. I would like to ask Mr. Crowley to step up to this map, Libelant's Exhibit "A." Suppose that on the morning of the 31st of December, 1913, the launch "Seven Bells" had left San Francisco with the Halvorsen Transportation Company barge in tow, and that it had proceeded along without difficulty until they got off of California Point; about that time a heavy wind came up and after they had gone some distance beyond California Point, toward San Quentin Point, what under those circumstances do you think would have been the proper thing for the navigator to do—what should he have done?

A. He should have kept on his way, going into the creek.

(Testimony of Thomas Crowley.)

Q. If he kept on his way going into the creek, and in the vicinity of the mouth of the creek he found that he was then unable to go into the creek, and feared that the barge would be blown upon the rocks, what would then have been the proper maneuver for him to make? A. If he done what?

Q. If he had gone in almost to the mouth of the creek and he then found that it was impossible to go into the creek, as the wind [141] would have blown the barge which was being towed, on to the shore, even if the launch got into the creek, what would have then been his proper maneuver, he not being able to get into the creek?

A. Well, that is rather hard to say. If he was in a position about in here, he would have the rocks over here to look out for.

Q. Assuming the wind at that time to be coming from the southeast, and blowing strong, would you say it was expedient to attempt to turn the combination around and tow it out into deep water again?

A. If it was bad weather how could he get out into deep water?

The COURT.—I have always understood that sea-going crafts were safe in deep water.

A. He could have got into the lee of the island here. If he had gotten out here, he would have gotten into just about as bad a trap.

Mr. BELL.—Q. Do you know the depth of the water around those islands there?

A. No. It is a little shallower there. He could have gone around in the lee and kept away from the

(Testimony of Thomas Crowley.)

rocks. Here are the rocks there. I would have put her on the mud somewhere where she wouldn't have done any damage. He might have got near the islands here.

Q. He might have beached her?

A. Beached her there somewhere.

Mr. BELL.—That is all.

Mr. HUTTON.—Q. A south wind there, it would be sheltered over here?

A. No, it wouldn't be sheltered there.

Q. It would be sheltered in here?

A. In here. There is Point San Pablo.

Mr. BELL.—Q. You are speaking now of Point San Pablo?

A. It is pretty shallow, though, in here, but he could have gotten some shelter over here.

Mr. HUTTON.—Q. Don't you think the proper thing for the [142] captain to have done was to try and get across here into deep water?

A. I wouldn't have tried to go over to Point San Pablo. I would have gone to McNear's Point.

Q. A man making a tow of that kind, in a heavy wind ought he to be able to determine whether he could make that point or not?

A. He could not determine that. The best thing he could do would be to try, when he is coming along in here with a southeast wind, and in those heavy squalls, the best thing he can do is to try. It is a dangerous crossing—

Q. He did try.

A. He could not make it. The best place for him

(Testimony of Thomas Crowley.)

would be right in here and stay in there. He could have got in the lee of the island here, or *he have* gone on the beach here, or he should have gone there.

Mr. HUTTON.—I think that is all.

Mr. LILLICK.—Q. Was it good seamanship, in your opinion, and speaking from your experience, to have gone on this crossing up here where there were mud banks, and rocks over here, upon the assumption that the barge would have gone over on the mud bank?

A. Well, I would have thought the barge could have been placed on the mud bank here, or gone on the mud bank in some way.

Q. In your opinion would that have been the proper thing for a man to have done under similar circumstances, where there were rocks on the shore, to save the barge by slipping his tow line and allowing her to go up on the mud bank?

A. Yes, I would have said that was all right.

Mr. HUTTON.—Q. What is going to become of the cargo under those conditions? Would not the sea wash over it? A. No, sir.

Q. In this particular case it did. Can you ever tell just exactly how she is going to land on the beach?

A. Well, that is the idea. You cannot always tell. The barge may [143] sheer off.

Q. Do you own any stock in the Standard Gas Engine Company? A. I own no stock in it.

Q. Are you interested in it in any way?

A. No way, shape or form.

(Testimony of Thomas Crowley.)

Q. Never was? A. Never was.

Q. Is your concern merely a tugboat company?

A. No, sir.

Q. Do you buy gas engines, or use them?

A. We buy lots of them and pay cash for them.

Mr. BELL.—Q. Are you interested in the Halvorsen Transportation Company, or in the "Seven Bells"? A. No, sir.

Mr. BELL.—That is all.

Testimony of Alexander McLaughlin [for Defendant.]

Testimony of ALEXANDER McLAUGHLIN, called, sworn and examined as a witness on behalf of defendant, Halvorsen Transportation Company.

Direct Examination.

Mr. BELL.—Q. What is your business?

A. Captain of the schooner "Belvedere."

Q. What was your occupation in December, 1913?

A. I was captain of the "John A. Britton," at McNear's Point.

Q. Do you recollect where you were on the morning of December 31, 1913?

A. On the "Seven Bells."

Q. Your boat?

A. My boat. I was down at Third and Channel streets.

Q. What time did you leave there?

A. I left there about half past eight.

Q. What size was that boat, the "John A. Britton"?

A. The "John A. Britton" is a fifty horse-power,

(Testimony of Alexander McLaughlin.)

fifty-four feet long, fifty-two or fifty-four, by eleven or twelve feet deep. **[144]**

Q. What, if anything, were you towing, Mr. McLaughlin? A. I was towing a barge.

Q. What was the size of the barge?

A. The barge was about fifty-four feet long and thirty feet wide.

Q. Where were you bound for with her?

A. I was bound for McNear's brickyard.

Q. Where is McNear's brickyard?

A. It is on the Marin shore.

Q. Can you indicate upon this map about the location of that brickyard? Here is San Rafael.

The COURT.—Q. It is beyond San Rafael?

A. Yes. This is McNear's Point right here. The brickyard would be right about in here.

Mr. BELL.—Q. What point on the shore? Indicate with your pencil on the shore about where it is.

A. It is right here. Right about in here.

Q. Mark that point with "X."

(The witness marks map as requested.)

Q. What time did you start that morning?

A. I left Third and Channel streets about half past eight.

Q. What was the condition of the weather at that time?

A. At that time the weather was favorable.

Q. What was the condition of the Bay?

A. Well, it was quite calm—it wasn't very rough.

Q. Now, what course did you take after you left Channel street?

(Testimony of Alexander McLaughlin.)

A. I just came along down the front to Lombard street, took a northwest course and crossed from Lombard street.

Q. Directly for McNear's Point?

A. Directly for McNear's Point, yes.

Q. Now, will you describe what occurred on that voyage over there, Mr. McLaughlin?

A. Well, on my way over there was nothing in [145] sight and I kept on going. The weather was nice for about an hour and a half. I got over on the other side of Angel Island, and I saw the "Seven Bells" and a barge quite a way off, so I kept on going and so soon as I got past the straits there up came a little blow, and then in a little while it started in to be squally, and when I was off of California City, at that time, about two miles off of California City—

Q. At what time was that?

A. That would be about half-past eleven, or quarter to twelve.

Q. How was the weather at that time?

A. Well, just beginning to blow a little bit.

Q. What occurred after that?

A. In about a half an hour or so it started to be squally and my tow-line caught it.

Q. What size tow-line did you have?

A. I had a five-inch tow-line.

Q. How many lines between your barge and the launch? A. Just the one.

Q. What did you do then?

A. Well, I just simply swung around and tried to get back and get another line or the tow again. I

(Testimony of Alexander McLaughlin.)

managed to get the line on it again and it wasn't more than ten or fifteen minutes when she parted again.

Q. Was there anyone on the launch with you?

A. Yes, I had a deckhand, and when she parted the second time my man was washed overboard.

Q. Off the launch?

A. Off the launch. I stopped to pick up my man, and just as I picked him up she parted again. I managed to get the barge and save it from going with the sea and wind. It was raining so much I never saw any more of the "Seven Bells," or never heard anything of it, until that afternoon late when I got around into the brickyard. **[146]**

Q. Where did you finally land up with your launch?

A. I landed over on the northeast side of McNear's Point, around by the Chinese camp.

Q. Is that where you intended to land?

A. Yes.

Q. What did you do when you got over there?

A. I dropped my hook.

Q. You mean your anchor? A. Yes.

Q. How did you anchor the barge?

A. With a cable anchor.

Q. How heavy an anchor was that?

A. I judge the anchor weighed about two hundred pounds.

Q. What happened to the barge after that?

A. Well, the wind and tide just simply dragged her

(Testimony of Alexander McLaughlin.)

close to the shore on the mud banks and she couldn't go no further.

Q. Why was it you were not able to make the brickyard?

A. Well, being that the sea and wind was too strong for me. I could not take any chances, or I would have landed where the "Seven Bells" landed.

Q. Where was the "Seven Bells" at the time you saw her?

A. I should judge about two miles away from me, off to the westward.

Q. Toward the Marin shore from you? A. Yes.

Q. How far was she from California Point?

A. Well, that I could not judge—about a mile, it being raining so hard by that time you couldn't see very much—you couldn't see anything.

Q. How did this squall which you have described compare with the winds which you usually encounter on the Bay?

A. It was the worst I have ever seen since I have been up that way.

Q. How long have you been on and about the bay?

A. I have been on the Bay for the last seven or eight years.

Q. In your judgment, taking into consideration the position of the [147] "Seven Bells" at the time you saw her, and the condition of the wind, and what happened to you yourself, was it possible for the "Seven Bells" to make it around McNear's Point as you did?

(Testimony of Alexander McLaughlin.)

A. I don't believe they could. They were too far inshore.

Q. What, in your estimation, Mr. McLaughlin, was the proper thing for the "Seven Bells" to have done when that squall came up, she being in the position that you saw her?

A. Well, put the hook and chain down and try to hang on if they could.

Q. What do you think the probabilities would have been if they had put the anchor out at the time when the squall first came up?

A. Being that the mud is so soft there I do not believe that the anchor would hold in soft mud, with a barge that had a house on it.

Q. Do you think then, that such action would have done any good? A. I hardly think it would.

Q. What do you say as to the propriety of their continuing from the point *when* you saw them when that squall arose, for San Rafael Creek?

A. Well, being that this is shallow water over that way I don't know as they could get in there with the wind and sea going as it was.

Q. Could they have turned back and got shelter any place? A. I do not believe they could.

Q. What, in your judgment, was the best thing they should have done under the circumstances?

A. The best thing for them to do was to have their hook and chain out and let her ride it.

Q. And drop the barge?

A. Leave the barge, yes.

(Testimony of Alexander McLaughlin.)

The COURT.—Q. Where?

A. Well, on the Marin shore there.

Q. At what stage of the process?

A. Well, just when it was blowing there, why, they could not do anything with it. The wind was blowing so hard that it was blowing the barge towards [148] the shore all the time. If they put their hook out they would kind of check it a little bit.

Q. Where would they put the hook out?

A. When they saw they could not do anything with it. They had flats around them there.

Mr. BELL.—Q. What do you think their chances were of getting into San Rafael Creek with the barge?

A. I do not think the barge could have made it on that day.

Q. What would have happened to them?

A. It is all shore in there and I think if they had went in there with their tugboat, the tugboat would have a chance to sink on the mud and the barge would be thrown up on the rocks in the mouth of the creek.

Q. Then if they could not get into San Rafael Creek what was the proper expedient of navigation for them to adopt?

A. I think leave the hook down and hang on.

Q. What do you think the success of that would have been?

A. They probably might have checked her, kept her from going any further, stay there and ride the sea for a while.

(Testimony of Alexander McLaughlin.)

Q. What effect would the fact that the water was very shallow there have upon that?

A. Well, there is shallow water over there—

Q. What effect would that have upon the scheme which you suggest, of their dropping the anchor and hanging on to the boat?

A. Well, being the way the wind and tide was, it was pretty hard to save anything in that squall.

Q. Do you think it was possible on that day, taking the weather into consideration, and the situation of the "Seven Bells" at the time that squall arose, for her to save that barge?

A. No, I don't think so.

Q. How was your situation different, with reference to their situation?

A. I had the best of it. I was out in the seaway **[149]** and had the wind and tide behind me. If it not had been for that I would have been blown on to the shore myself. I was two miles further out than they were.

Q. How close did you get to the shore at McNear's Point?

A. Not more than seventy-five or eighty feet.

Q. How was the tide when you were in there?

A. The tide was flooding.

Q. What would you say with reference to the proper time of going into San Rafael Creek, with reference to the tide? A. Just about high water.

Q. Is that the proper time to go into San Rafael Creek? A. Yes.

(Testimony of Alexander McLaughlin.)

Q. How long a run is it from San Francisco to San Rafael Creek?

A. I should judge about three hours.

Q. Did you have any request to go to the aid of the barge from Captain Gilmore?

A. Yes, I did, but I was pretty well disabled myself. My engine-room was full of water and I was short of fuel. I could not do anything. My man was wringing wet, and I was wringing wet myself. We wanted to try and get some dry clothes on us. We could not do anything. I told my boys I was up against it myself, didn't have fuel enough to try to do anything.

Mr. BELL.—That is all.

Mr. HUTTON.—Q. Your barge was light?

A. No, sir; I had five drums of gasoline on it and some other stuff.

Q. How many tons altogether?

A. Well, I should judge about twenty-five or thirty tons.

Q. You had no house on your barge?

A. No, sir.

Q. It was a smaller barge than this other one?

A. A barge about fifty-four feet long.

Q. It is not as large a barge as the Halvorsen barge? **[150]** A. Not quite; no, sir.

Q. You were in a better position out in deep water than you would have been if you had been close inshore? A. Yes.

Q. How long does it take a gasoline boat to go

(Testimony of Alexander McLaughlin.)

from San Francisco to San Rafael, light?

A. I should judge maybe an hour and a half.

Q. On that day, with the wind and tide behind you, don't you think you could make it quicker?

A. Yes.

Q. Could you make it in an hour?

A. No, sir; you could not make it in an hour with a squall behind you like that. You lose some of your power every time the sea hits you.

Q. You would make it in an hour and a half?

A. I could make it in an hour and a half, that is, light.

Mr. HUTTON.—That is all.

Mr. BELL.—Q. Mr. McLaughlin, do you know Mr. Gilmore, the captain of the "Seven Bells"?

A. Yes, I have known him for a short while.

Q. How long have you known him?

A. Well, I have known him for the last two years, or more.

Q. What can you say with reference to Mr. Gilmore's qualifications for running a boat such as the "Seven Bells" and towing barges between San Francisco and San Rafael?

A. Well, I think he is competent to handle the boat and a barge. I know I have met him quite often with the barge back and forth on the Bay and I have never seen anything wrong with him. He has always passed the right signal to me.

Q. Did you ever see any evidence of his not being able to handle a barge? A. No, sir.

(Testimony of Alexander McLaughlin.)

Q. Did you ever hear any rumors to that effect?

A. No, sir.

Mr. HUTTON.—What he heard would have nothing to do with [151] this matter.

Mr. BELL.—That is all.

Mr. HUTTON.—Q. The only thing you know about him is that you would see him out in the Bay?

A. Yes.

Q. How many times had you seen him up to December 31, 1913?

A. I should judge five or six different times.

Q. How often?

A. Well, I think I must have met him about—I would make the run up there every other day myself, and probably I would meet him two or three times a week.

Q. And he would be a mile or two away from you?

A. Probably he would; sometimes farther than that.

Q. Now, Mr. McLaughlin, there is just one question I forgot to ask you: You are now on the "Belvedere"? A. Yes.

Q. She has a run to San Rafael? A. Yes.

Q. How much water does she draw?

A. Why, she draws about three and a half feet.

Q. How many horse-power has she? A. Fifty.

Q. She used to carry cargo over to San Rafael?

A. Yes.

Q. She is seventy-five horse-power, is she not?

A. No, sir, she is not.

(Testimony of Alexander McLaughlin.)

Q. Are you sure of that? A. I am sure.

Q. What size are her cylinders?

A. Her cylinders, I think, are eight and a half.

Q. She is engaged in the towing business?

A. Not that I know of. I don't know that she has ever towed any barges. I have never towed with her. [152]

Testimony of Alvin Doe [for Defendant.]

Testimony of ALVIN DOE, called, sworn and examined as a witness on behalf of Halvorsen Transportation Company.

Direct Examination.

Mr. BELL.—Q. What is your occupation?

A. At present, manager of the San Rafael Express.

Q. What was your occupation in December, 1913?

A. Captain of the gasoline schooner "President."

Q. How large a boat is that?

A. Fifty horse-power.

Q. What were you engaged in doing in December, with that boat?

A. We were hauling freight between Sausalito and San Francisco mostly.

Q. Where were you on the morning of December 31, 1913, if you know?

A. We made a trip from San Francisco to Sausalito.

Q. What time did you start out?

A. About half past eight.

(Testimony of Alvin Doe.)

Q. What was the condition of the weather at that time?

A. There was a brisk wind, not very rough, about a twenty-eight mile breeze.

Q. What would you say with reference to the propriety in starting out in such a breeze as that?

A. Oh, it was good.

Q. Where did you go from San Francisco?

A. From San Francisco to Alcatraz Island and from there to Sausalito.

Q. What was the condition of the weather as you went across?

A. It was good until about half-past nine or ten o'clock, then it got very gusty and windy.

Q. What happened at that time?

A. Our cargo shifted and our engine-room got some water in it and the engine stopped. We had a good many troubles.

Q. How did the wind which you encountered at that time compare **[153]** with the wind which you usually encounter on the bay?

A. It was very much stronger than usual.

Q. Where were you about the time that struck you? A. Off Alcatraz Island.

Q. Did you see the "Seven Bells" that day?

A. I saw her for a few minutes just after we were leaving our wharf—after we left our dock.

Q. Did you see her after the wind came up?

A. No, sir; it was before the wind came up.

Q. How suddenly did that wind come up?

(Testimony of Alvin Doe.)

A. All of a sudden, all at once.

Q. How did your boat happen to get water in her?

A. The sea was running heavy, the spray was running high and would hit the side of the boat and would come on board. It went in through the skylight that we always keep open, but we closed them immediately after the sea struck us.

Q. How long did that storm last?

A. About three hours.

Q. Assuming that the "Seven Bells" at the time that squall came up had gone a little beyond the California Point, towards San Quentin Point, was there any place where she could go for safety?

A. Not unless she could tow against the wind and tide.

Q. What do you think as to the probability of that?

A. I don't believe she was strong enough, in fact I am sure she was not.

Q. What do you think with reference to her lines holding in such a storm as that, if she would tow against the wind?

A. I believe her lines would hold if they were of reasonable size.

Q. What do you mean by "reasonable size"?

A. The size that is usually used on such a barge, a five or six inch line. **[154]**

Q. What would have been the chances of her getting turned around in that wind and sea, with the barge? A. Oh, that would be easy.

(Testimony of Alvin Doe.)

Q. What would you say with reference to the propriety of her continuing on from there towards San Rafael Creek?

A. I should have continued if I had been there.

Q. If when you got up off the creek, Mr. Doe, and you found it was impossible to enter, what would you then have done?

A. I would try and go out toward deep water.

Q. What course would you take in order to get out? A. To the southwest.

Q. How would you have gone in order to get out, with reference to Marin Island?

A. I would go out to the south of that.

Q. That is between the island and McNear's Point?

A. Well, it would depend on how the wind and tide were. It is rather shallow in there.

Q. Assuming that the tide was flooding at that time?

A. I would not attempt it because it would take me too near the lee shore.

Q. What would have been the probabilities if you had gone south of Marin Island?

A. There is a chance of that too.

Q. Would you have considered it advisable, if you were unable to get into San Rafael Creek, to attempt to cross between the island and the Marin shore and go around McNear's Point?

A. Around McNear's Point was the nearest safety that there was.

(Testimony of Alvin Doe.)

Q. Would you consider it an error of navigation to attempt to get to McNear's Point in that way?

A. If it were possible to go south it would be better.

Q. What effect does shallow water, for instance, like there is at the mouth of San Rafael Creek, have upon the navigation of a [155] launch?

A. Your propeller is above the water a larger portion of the time, and in case your boat should strike bottom it makes steering difficult. As the stern end touches the mud, or the bottom, the sea will hit the bow, and while the stern is still on the mud, throw the bow around sideways in a direction you do not wish to go.

Q. Look at the map here, Claimant's Exhibit "A," and tell me what the formation is at San Rafael Creek, from this point to this point (indicating)?

A. It is mostly rocks.

Q. That is, on the northerly side of the mouth of that creek it is rocks? A. Nearly all.

Q. What is it on the other side?

A. It is all mud.

Q. How wide a channel is there in that creek?

A. Eighty or ninety feet.

Q. What, in your estimation, would have happened to the barge if a launch had attempted to take a barge in there, with the wind that was blowing that day?

Mr. HUTTON.—The captain said he made no attempt to go in there. He says his barge swung

(Testimony of Alvin Doe.)

around and he was unable to control it.

The COURT.—Objection overruled.

A. If he had tried to go in there his barge would have struck the rocks on the north shore.

The COURT.—Q. You were down here at California Point when this storm struck you, and you would have done the same thing? Everybody says there was no chance to get in. Then you say having passed there and finding he could not get in, he should have headed for deep water.

A. The experience on this bay shows that no storm of that velocity ever lasts over fifteen or twenty minutes. We usually **[156]** figure on running out of it in about that length of time.

Q. You are betting on the length of the storm?

A. Betting on our judgment that a storm like that doesn't last very long.

Q. When your judgment fails in that matter, who do you think ought to suffer, who ought to pay for a think like that, the shipper?

A. Oh, no; the captain of the boat.

Q. You think the captain personally ought to suffer?

A. He ought to, but maybe that isn't the law.

Mr. BELL.—That is all.

Mr. HUTTON.—Q. Are you a seafaring man?

A. Yes.

Q. The open sea? A. Not the ocean.

Q. Have you ever been to sea? A. Yes.

Q. Where? A. On the Pacific Coast.

Q. What boats?

(Testimony of Alvin Doe.)

A. On the steamer "Roanoke" and the "Elder."

Q. What position did you occupy on those boats?

A. No position, as a passenger.

Q. What are you now?

A. I am on the steamer "San Rafael."

Q. What are you doing? A. Captain.

Q. How much water is there in San Rafael Creek at high tide?

A. About as much water as the chart shows, six and a half or six feet—four or four and half feet.

Q. Is it dry at low water?

A. At low tide it is just about dry at the entrance of the creek.

Mr. HUTTON.—I think that is all.

Mr. BELL.—That is all. [157]

Testimony of A. H. Gilmore [for Defendant].

Testimony of A. H. GILMORE, called, sworn and examined as a witness on behalf of Halvorsen Transportation Company.

Direct Examination.

Mr. BELL.—Q. Did you hear Mr. O'Brien testify to the effect that you told him that the "Seven Bells" was not capable of handling as large a barge as the Halvorsen barge, and that you wanted a smaller barge; did you hear that testimony?

A. Yes.

Q. You are the captain of the "Seven Bells"?

A. Yes.

Q. You were at this time, in December?

A. Yes.

(Testimony of A. H. Gilmore.)

Q. And you had been during all of the time you were working for the Halvorsen Transportation Company? A. Yes.

Q. Did you ever tell Mr. O'Brien, Mr. Gilmore, that the barge was too big for the "Seven Bells"?

A. I told him in fact—I told him of that fact, yes, sir.

Q. Explain what you mean.

A. I told him for my own benefit in handling it down at Jackson Street, and in those narrow creeks —I told him that just for my own benefit, that is all.

Q. Did you ever tell Mr. O'Brien that the barge was too big for the "Seven Bells" to handle out in the Bay? A. No, sir.

Q. Was she too big for the "Seven Bells" to handle, in your opinion?

A. No, sir; not in my opinion.

Q. What you did tell him was that it was too hard for you to handle in those narrow creeks, because she was so large?

Mr. HUTTON.—I object to that as leading.

Mr. BELL.—I will withdraw the question. That is all.

Mr. HUTTON.—That is all.

Mr. BELL.—That is our case, your Honor.

[Endorsed]: Filed Feb. 25, 1916. W. B. Maling, Clerk. C. W. Calbreath, Deputy Clerk. [158]

In the District Court of the United States, in and for the Northern District of California, First Division.

IN ADMIRALTY—No. 15,594.

V. J. B. CHEDA,

Libelant,

vs.

HALVORSEN TRANSPORTATION CO. et al,

Respondents.

(Order to Enter Decree in Favor of Libelant.)

H. W. HUTTON, Esq., Proctor for Libelant.

O. K. GRAU, Esq., and

IRA S. LILLICK, Esq.,

Proctors for Respondents, other than "Seven Bells."

G. W. BELL, Esq., and

ANDROS & HENGSTLER, Proctors for Respondent "Seven Bells."

My conclusion in this case is that while the "Seven Bells" was able to handle the barges in deep water, or on the flats in fair weather, she was *no* sufficient to handle the barge on the flats in rough weather and that therefore the combination of barge and launch were not sufficient for the business in which they were engaged for weather ordinarily to be expected in winter. This is independent of the question as to whether or no the launch should have left the San Francisco side on the morning in question for any other reason.

A decree will be entered in favor of li*a*belant against the Halvorsen Transportation Company, and

the barge, and against the launch "Seven Bells," and the cause referred to the Commissioner [159] to ascertain and report the amount due.

March 4th, 1915.

M. T. DOOLING,
Judge.

[Endorsed]: Filed, Mar. 4, 1915. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. [160]

In the District Court of the United States in and for the Northern District of California, First Division.

IN ADMIRALTY—No. 15,594.

V. J. B. CHEDA,

Libelant,

vs.

HALVORSEN TRANSPORTATION Co. et al., etc.,
Respondents and Claimants.

(Interlocutory Decree.)

This cause having been heard on the pleadings and proofs, and the arguments and briefs of the respective parties, and due deliberation being had, it is now ordered, adjudged and decreed and this does order, adjudge and decree, that the libelant recover against the respondents and claimants, and the gasoline launch "Seven Bells," her engines and machinery and appurtenances, the amount of the loss sustained by reason of the loss of the goods mentioned and set forth in libelant's libel herein, and that this cause be, and the same hereby is referred to Francis Krull, Esquire, United States Commis-

sioner, to ascertain the amount of such loss and that he report the same to the court, with all convenient speed.

Dated, April 1, 1915.

M. T. DOOLING,
Judge.

[Endorsed]: Filed, Apr. 1, 1915. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. **[161]**

In the District Court of the United States, in and for the Northern District of California, First Division.

IN ADMIRALTY—No. 15,594.

V. J. B. CHEDA,

Libelant,

vs.

HALVORSEN TRANSPORTATION COMPANY, a Corporation, J. D. ARKINSON, H. C. HALVORSEN, GEORGE W. DORNING, A. M. DE VALL, C. R. CODDING, G. C. CODDING and P. S. COLBY, a Certain Barge, and the Gasoline Launch "SEVEN BELLS," Her Engines and Machinery and Appurtenances,

Respondents.

Stipulation (as to Sale of "Seven Bells").

WHEREAS it is the desire of all parties to the above-entitled action that the gasoline launch "Seven Bells," together with her engines and machinery and appurtenances may be sold at the

earliest date possible, and the proceeds deposited in the above court to abide its further order;

AND WHEREAS said gasoline launch and her engines and machinery and appurtenances have been for a long time past, and now are, lying idle and constantly deteriorating in condition and value;

AND WHEREAS it is the desire of all parties that said gasoline launch and her engines and machinery and appurtenances shall be sold as a unit, and not separately, although the engine is not now in said gasoline launch, but stored in a warehouse;

AND WHEREAS an interlocutory decree has been entered herein in favor of V. J. B. Cheda, the libelant, and whereas this [162] cause is to be referred to the Commissioner of said court to ascertain and report the amount due to said libelant;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and between all parties hereto that said gasoline launch and her engines and machinery and appurtenances may be sold as a unit by the United States Marshal for the Northern District of California, in front of the Merchants Exchange Building, on the south side of California Street, between Montgomery and Sansome Streets, on seven (7) days' notice of such sale, to be published for seven days in the "Commercial News" and the "Guide," both newspapers published in the city and county of San Francisco, State of California, and that a *venditioni exponas* issue according; and that the Marshal shall bring the proceeds of such sale into this court and pay the same to the clerk thereof

to abide the further order of this Court in the premises.

Dated March 29, 1915.

H. W. HUTTON,
Proctor for Libelant,
IRA S. LILLICK and
O. K. GRAU,

Proctors for Respondent Halvorsen Transportation Company, J. D. Arkinson et al., and a Certain Barge.

I. F. CHAPMAN,
ANDROS & HENGSTLER,
GOLDEN W. BELL,

Proctors for the Gasoline Launch "Seven Bells," Her Engines and Machinery and Appurtenances.

[Endorsed]: Filed, Apr. 1, 1915. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. **[163]**

In the District Court of the United States, in and for the Northern District of California, First Division.

IN ADMIRALTY—No. 15,594.

V. J. B. CHEDA,

Libelant,

vs.

HALVORSEN TRANSPORTATION COMPANY, a Corporation et al., etc.,

Respondents.

Order (for Sale of "Seven Bells").

WHERAS all parties to the above-entitled cause have stipulated and agreed that the gasoline launch "Seven Bells" and her engines and machinery and appurtenances may be sold as a unit by the United States Marshal for the Northern District of California, and the proceeds of such sale deposited in this court to abide its further order in the premises;

AND WHEREAS it appears to this Court that it is to the interest of all parties concerned that said gasoline launch and her engines and machinery and appurtenances should be sold without delay;

NOW, THEREFORE, IT IS HEREBY ORDERED that said gasoline launch "Seven Bells" and her engines and machinery and appurtenances be sold as a unit by the United States Marshall for the Northern District of California, in front of the Merchants Exchange Building, on the south side of California Street, between Montgomery and Sansome Streets, on seven (7) days' notice of such sale, to be published for seven days in the "Commercial News" and the "Guide," both newspapers published in the city and county of San Francisco, State of California, and that a [164] *venditioni exponas* issue accordingly; and that the Marshal bring the proceeds of such sale into this court and pay the same to the clerk thereof to abide the further order of this Court in the premises.

Dated April 1, 1915.

M. T. DOOLING,
Judge of Said Court.

[Endorsed]: Filed, Apr. 1, 1915. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. [165]

[Writ of Venditioni Exponas.]

United States of America,
Northern District of California,—ss.

The President of the United States of America, to the Marshal of the United States, for the Northern Disrict of California, Greeting:

WHEREAS, a Libel was filed in the District Court of the United States for the Northern District of California, on the 7th day of February, in the year of our Lord, one thousand nine hundred and 15. V. J. B. Cheda, Libelant, vs. Gasoline Launch "Seven Bells," etc., and praying that the same may be condemned and sold to answer the prayer of the said libelants. AND, whereas, the said gas. launch "Seven Bells" has been attached by the process issued out of the said District Court, in pursuance of the said Libel, and now in custody by virtue thereof, and such proceedings have been thereupon had, that by the order, sentence and decree of the said Court, in this cause made and pronounced, on the 1st day of April, 1915, the said gasoline launch "Seven Bells" ordered to be sold by you, the said marshal, after giving seven (7) days' notice of such sale, according to law. And that you have the moneys arising from such sale, together with this writ, at a District Court of the United States, to be held for the Northern District of California, at the city of San Francisco, on or before the 16th day of

April, 1915, and that you then pay the same to the clerk of the court; THEREFORE, you, the said marshal, are HEREBY COMMANDED to cause the said gasoline launch "Seven Bells" so ordered to be sold, to be sold in manner and form, upon the notice, and at the time and place by law required. And that you have and pay the moneys arising from such sale pursuant to the aforesaid order or decree: [166]

AND HAVE YOU THEN AND THERE THIS WRIT:

WITNESS, the Honorable M. T. DOOLING, Judge of the said court, at the city of San Francisco, in the Northern District of California, this 2d day of April, in the year of our Lord, one thousand nine hundred and fifteen, and of our Independence, the one hundred and 39th.

[Seal] W. B. MALING,
Clerk.
By C. W. Calbreath,
Deputy Clerk.

Vessel to be sold as a unit by the U. S. Marshal. Sale to take place in front of Merchants Exchange Bldg., south side of Calif. Street, between Montgomery & Sansome. Notices to be published in "Commercial News" and "Guide." [167]

[Notice of Sale by U. S. Marshal of Gasoline Launch "Seven Bells," etc.]

Northern District of California.

By virtue of a Writ of *Venditioni Exponas* issued out of the United States District Court for the Northern District of California, on the second day

of April, 1915, notice is hereby given that I will sell by public auction, for cash, on Wednesday, the 14th day of April, 1915, at 11 o'clock A. M., in front of the Merchants Exchange Building, south side of California Street, between Montgomery and Sansome Streets, in the city and county of San Francisco, California, the gasoline launch "Seven Bells," her engines, boilers, machinery, boats, tackle, apparel, appurtenances and furniture as the hull of said gasoline launch "Seven Bells" now lies at the Standard Gas Engine Company's plant in East Oakland, California, and as the 40 horse-power engine of said launch "Seven Bells" now lies at No. 1225 Fifth Street, in the city of Oakland, California. Said hull and engine to be sold as a unit.

J. B. HOLOHAN,
United States Marshal,
By Geo. H. Burnham,
Chief Office Deputy.

ap6td. [168]

[Affidavit of A. C. Sandahl, Re Publication of Notice of Sale of Gasoline Launch "Seven Bells," etc.]

State of California,
City and County of San Francisco,—ss.

A. C. Sandahl, being first duly sworn, deposes and says:

That he is and was, at the dates hereinafter set forth, a citizen of the United States, over the age of twenty-one years, and a resident of said city and county; that he is not a party to, or interested in, the above-entitled matter, and is competent to be a

witness herein; that he is, and at all times herein mentioned, and during the period covered by said publication, was the foreman of the Commercial News Publishing Company, (a corporation), the printer and publisher of the DAILY COMMERCIAL NEWS, newspaper; and such foreman has charge of all the legal advertisements in said newspaper; that the said DAILY COMMERCIAL NEWS is a newspaper of general circulation, printed and published daily (Sundays and legal holidays excepted) in the city and county of San Francisco, State of California, and was at all times herein mentioned a newspaper of general circulation, as that term is defined by Section 4460 of the Political Code, and, as provided by said section, is published for the dissemination of local and telegraphic news and intelligence of a general character, having a *bona fide* subscription list of paying subscribers, and is not devoted to the interests of, or published for the entertainment or instruction of a particular class, profession, trade, calling, race or denomination, or for the entertainment or instruction of such classes, professions, trades, callings, races or denominations; that said newspaper has been published continuously since A. D. 1875; that **[169]** the publication hereinafter mentioned was set in type not smaller than nonpareil, and was preceeded with words printed in black face type not smaller than nonpareil, describing and expressing in general terms the purport and character of the notice intended to be given; that a sale of the United States Marshall

of which the annexed is a printed copy, has been published in said newspaper, to wit: 8 times embracing between the first publication, made on the 6th day of April, A. D. 1915, and the last publication made on the 14th day of April, A. D. 1915, a period of at least 8 days, and that the dates upon which said notice was published in said newspaper were: April 6, 7, 8, 9, 10, 12, 13, 14, 1915.

A. C. SANDAHL.

Subscribed and sworn to before me this —— day of ——— 191—.

———————————,

Notary Public in and for the City and County of San Francisco, State of California. **[170]**

[Notice of Sale by U. S. Marshal of Gasoline Launch "Seven Bells," etc.]

Northern District of California.

By virtue of a Writ of *Venditioni Exponas* issued out of the United States District Court for the Northern District of California, on the 2d day of April, 1915, notice is hereby given that I will sell by public auction, for cash on Wednesday, the fourteenth day of April, 1915, at 11 o'clock A. M., in front of the Merchants Exchange Building, south side of California Street, between Montgomery and Sansome Streets, in the city and county of San Francisco, California, the Gasoline Launch "Seven Bells" her engines, boilers, machinery, boats, tackle, apparel, appurtenances and furniture, as the hull of said Gasoline Launch "Seven Bells" now lies at the Standard Gas Engine Company's plant in East

Oakland, California, and as the 40 H. P. Engine of said Launch "Seven Bells" now lies at No. 1225 5th street in the city of Oakland, California. Said hull and engine to be sold as a unit.

J. B. HOLOHAN,
United States Marshal.
By Geo. H. Burnham,
Chief Office Deputy. **[171]**

[Affidavit of J. W. Empey, Re Notice of Sale of Gasoline Launch "Seven Bells, etc.]

State of California,
County of San Francisco,—ss.

Before me, the *undersign,* a notary, this day personally came J. W. Empey, who, being first duly sworn, according to law, says that he is the secretary of "The Guide," a Marine newspaper published at San Francisco, in said county and State, and that the publication, of which the annexed is a true copy, was published in said paper on the sixth day of April, 1915, and once each day thereafter for eight consecutive days, and that the rate charged therefor is not in excess of the commercial rates charged private individuals, with the usual discounts.

J. W. EMPEY,

Subscribed and sworn to before me this 14 day of April, 1915.

C. W. CALBREATH,
Deputy Clerk U. S. District Court, Northern District of California. **[172]**

[U. S. Marshal's Return of Sale of Gasoline Launch "Seven Bells," etc.]

In obedience to the above precept, I have sold the gasoline launch "Seven Bells" and such sale amounts to Six Hundred and Eighty-five Dollars, which sum I have paid to the clerk of this court, as I am above commanded.

Dated this 14th day of April, 1915.

J. B. HOLOHAN,
U. S. Marshal.
By Geo. H. Burnham,
Chief Office Deputy.

[Endorsed]: Filed Apr. 15, 1915. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. **[173]**

[Petition of Halvorsen Transportation Co., etc. for Rehearing.]

In the District Court of the United States, in and for the Northern District of California, First Division.

IN ADMIRALTY—No. 15,594.

V. *G.* B. CHEDA,

Libelant,

vs.

HALVORSEN TRANSPORTATION CO., a Corporation, et al., a Certain Barge and the Gasoline Launch "SEVEN BELLS," Her Engines, Machinery and Appurtenances,

Respondents.

To the Honorable M. T. DOOLING, Judge of the District Court of the United States, for the Northern District of California:

The petition of Halvorsen Transportation Co., owner and claimant of the barge above named, J. B. Arkison (sued as J. F. Arkinson), H. C. Halvorsen, George W. Dornin, A. M. DeVall, C. H. Codding, G. C. Codding and P. S. Colby, respectfully represents to the Court:

I.

That on the 4th day of March, 1915, this Court ordered its decree to be entered in the above-entitled cause in favor of the libelant and against the Halvorsen Transportation Co., and the barge and against the launch "Seven Bells" and the cause referred to the Commissioner to ascertain and report the amount due.

II.

The petitioners respectfully represent that in holding them and the barge liable for the loss of the cargo the Court has inadvertently overlooked the following issues which are raised by the answer of the respondents and which were material to the [174] decision of this cause:

(a) Whether due diligence was used by the petitioners in providing a seaworthy barge and employing a seaworthy tug.

(b) Whether the storm encountered by the barge and tug on the voyage during which the loss occurred was an ordinary one and could reasonably have been anticipated by the petitioners.

(c) Whether such peril could have been avoided by a seaworthy vessel, or in other words, whether the proximate cause of the loss was a peril of the seas or an unseaworthy condition of the barge and tug.

(d) If the proximate cause of the loss was an unseaworthy condition of the barge and tug, and nevertheless the petitioners had exercised due diligence to make the barge seaworthy and to employ a seaworthy tug, whether petitioners would still be exempt by the bill of lading under which the cargo was shipped.

(e) Whether the petitioners are entitled to limit their liability to the value of their interest in the barge and freight subsequent to the stranding and wreck.

III.

The petitioners respectfully represent that the Court appears to have adopted an erroneous rule to determine the seaworthiness of the tug.

These matters and others pertinent thereto, the petitioners respectfully pray may receive the consideration of the Court and for that purpose they ask that a rehearing thereof be granted and that pending the hearing on this petition all further proceedings in this cause be stayed.

Dated July 6th, 1915.

O. K. GRAU,
IRA S. LILLICK,
HILL & SEALBY,
Proctors for Petitioners. **[175]**

Due service and receipt of a copy of the within Petition for Rehearing is hereby admitted this sixth day of July, 1915.

H. W. HUTTON,
Proctor for Libelant.

[Endorsed]: Filed Jul. 6, 1915. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. **[176]**

At a stated term of the District Court of the United States of America, for the Northern District of California, First Division, held at the court-room thereof, in the city and county of San Francisco, State of California, on Saturday, the 30th day of October, in the year of our Lord One Thousand Nine Hundred and Fifteen. Present: The Honorable M. T. DOOLING, Judge.

No. 15,594.

V. CHEDA,

vs.

HALVERSON TRANSPORTATION CO. etc.,et al.

(Order Denying Petition for Rehearing.)

This cause came on regularly this day for hearing on the Petition for rehearing of the issues joined herein. After hearing H. W. Hutton, Esq., proctor for libelant, and Mr. Hill, on behalf of the respondent, the Court ordered that said Petition be, and the same is hereby denied. **[177]**

In the District Court of the United States, in and for the Northern District of California.

IN ADMIRALTY—No. 15,594.

V. J. B. CHEDA,

Libelant,

vs.

HALVORSEN TRANSPORTATION CO. et al.,

Respondents.

(Dismissal as to A. M. De Vall.)

The above cause is hereby dismissed as to respondent A. M. De Vall.

Dated October 21st, 1915.

H. W. HUTTON,
Proctor for Libelant.

[Endorsed]: Filed Oct. 22, 1915. W. B. Maling, Clerk. By T. L. Baldwin, Deputy Clerk. **[178]**

In the District Court of the United States, in and for the Northern District of California, First Division.

IN ADMIRALTY—No. 15,594.

V. J. B. CHEDA,

Libelant,

vs.

HALVORSEN TRANSPORTATION COMPANY, a Corporation et al., etc.,

Respondents and Claimants.

(Final Decree.)

Francis Krull, Esquire, United States Commissioner, to whom the above cause was referred to take proof of the value of the goods lost as mentioned in libelant's libel, having filed his report bearing date the 10th day of September, 1915, by which he found that there was owing and unpaid to the libelant for and on account of said loss of goods, the sum of Two Thousand Seven Hundred and Four and 25/100 ($2,704.25) Dollars, and the said report having been duly filed in open court, and no exceptions having been taken to said report within the time allowed by law and the rules of this court, or at all, and libelant having on the 2d day of October, 1915, moved in open court for an order confirming said report, and at said time admitting that the sum of One Hundred and Eight ($108) Dollars had been paid on account of said amount so reported due, thereupon said motion was granted and said report was by order of this Court duly given and made confirmed for the amount so found due as aforesaid, less the sum of One Hundred and Eight ($108) Dollars and the same is hereby so confirmed. And it is ordered, adjudged and decreed, and this does order adjudge and decree, that for and on account of the **[179]** matters set forth in the pleadings and shown by the proofs herein, the libelant have and recover from Halvorsen Transportation Company, a corporation, respondent herein, and a certain barge claimed herein by said Halvorsen Transportation Company

and the gasoline launch "Seven Bells," her engines and machinery and appurtenances the sum of Two Thousand Five Hundred and Ninety-six and 25/100 (2,596.25) Dollars, together with interest at the rate of six per cent per annum on the sum of Two Thousand Four Hundred and Twenty-one and 72/100 ($2,471.72) Dollars of said amount from the 10th day of September, 1915.

It is further ordered, adjudged and decreed, and this does order, adjudge and decree, that for and on account of said loss of goods libelant have and recover from the following named respondents herein, on their liability as stockholders in the said Halvorsen Transportation Company the said amounts hereinbefore mentioned in the following proportions respectively:

From J. B. Arkison, the sum of Three Hundred and Fifty-three and 24/100 ($353.24) Dollars, together with interest at the rate of six per cent per annum on the sum of Three Hundred and Twenty-nine and 50/100 ($329.51) Dollars thereof from the 10th day of Sepember, 1915.

From H. C. Halvorsen, the sum of Seven Hundred and Thirty-five and 89/100 ($735.89) Dollars, together with interest at the rate of six per cent per annum on the sum of Six Hundred and Eighty-six and 42/100 ($686.42) Dollars, thereof, from the 10th day of September, 1915.

From George W. Dornin, the sum of Six Hundred and Seventy-seven and 92/100 ($677.92) Dollars, together with interest at the rate of six per cent per annum on the sum of Six Hundred and Thirty-one

and 51/100 ($631.51), thereof from the 10th day of September, 1915.

From C. R. Codding, the sum of Five and 88/100 ($5.88) **[180]** Dollars, together with interest at the rate of six per cent per annum on the sum of Five and 49/100 ($5.49) Dollars thereof from the 10th day of September, 1915.

From G. C. Codding the sum of Six Hundred and Seventy-seven and 92/100 ($677.92) Dollars, together with interest at the rate of six per cent per annum on the sum of Six Hundred and Thirty-one and 51/100 ($631.51) Dollars of said amount from the 10th day of September, 1915.

From P. S. Colby, the sum of One Hundred and Forty-seven and 19/100 ($147.19) Dollars, together with interest at the rate of six per cent per annum on One Hundred and Thirty-seven and 28/100 ($137.28) Dollars of said amount from the 10th day of September, 1915.

And with costs herein to be taxed.

It is further ordered, adjudged and decreed, that unless an appeal be taken from this decree within the time provided by law and the rules and practice of this court, the stipulators for costs on the part of the claimants and respondents, and the stipulator for value on the part of the claimant of the barge seized and claimed herein, respectively cause the engagements of their stipulations to be performed, or show cause why execution should not issue against them to enforce satisfaction of this decree to the extent of

their liability on their said stipulations.

Dated October 30, 1915.

M. T. DOOLING,
Judge.

(Endorsed): Filed Nov. 1, 1915. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. **[181]**

In the District Court of the United States, for the Northern District of California, First Division.

IN ADMIRALTY—No. 15,594.

V. J. B. CHEDA,

Libelant,

vs.

HALVORSEN TRANSPORTATION COMPANY, a Corporation et al., a Certain Barge, and the Gasoline Launch "SEVEN BELLS," Her Engines and Machinery and Appurtenances,

Respondents.

Notice of Appeal [of Halvorsen Transportation Co., a Corporation, et al., Claimants of Gasoline Launch "Seven Bells," etc.]

To V. J. B. Cheda and to H. W. Hutton, His Proctor, and to W. B. Maling, Clerk of the District Court of the United States for the Northern District of California:

YOU AND EACH OF YOU WILL PLEASE TAKE NOTICE that the claimants of the gasoline launch "Seven Bells," one of the respondents in the above-entitled cause, do hereby appeal to the United States Circuit Court of Appeals for the Ninth Circuit

from the final decree of the District Court of the United States for the Northern District of California entered in said cause on the 30th day of October, 1915.

Dated November 20, 1915.

ANDORS & HENGSTLER,
I. F. CHAPMAN,
GOLDEN W. BELL,
Proctors for Said Claimants. **[182]**

Due service and receipt of a copy of the within Notice of Appeal is hereby admitted this 22 day of November, 1915.

H. W. HUTTON,
Proctor for Libelant.
IRA S. LILLICK,
O. K. GRAU,
Proctors for Claimant and Certain Respondents.

[Endorsed]: Filed Nov. 22, 1915. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. **[183]**

In the District Court of the United States, for the Northern District of California, First Division.

IN ADMIRALTY—No. 15,594.

V. J. B. CHEDA,

Libelant and Appellee,

vs.

The Gasoline Launch "SEVEN BELLS," Her Engines, Machinery and Appurtenances et al.,

Respondent.

A. H. GILMORE and STANDARD GAS ENGINE COMPANY,

Claimants of Said Launch, and Appellants.

Assignment of Errors [of Halvorsen Transportation Co. et al.].

Come now the claimants of the launch "Seven Bells," her engines, machinery, and appurtenances, appellants herein, and assign as error in the conclusions, findings proceedings and decree of the District Court, the following:

1. The District Court erred in ordering and in entering a decree in favor of libelant against the launch "Seven Bells," her engines, machinery and appurtenances.

2. The District Court erred in not dismissing libelant's amended libel against the launch "Seven Bells," her engines, machinery and appurtenances, with costs to the claimants thereof.

3. The District Court erred in concluding that the

launch "Seven Bells" was not sufficient for the business in which she was engaged for weather ordinarily to be expected in winter on San Francisco Bay and its tributaries. **[184]**

4. The District Court erred in concluding that the launch "Seven Bells" was not sufficient to handle the unnamed barge described in the amended libel in weather ordinarily to be expected in winter on San Francisco Bay and its tributaries.

5. The District Court erred in concluding that the launch "Seven Bells" was not sufficient to handle the barge on the flats near the mouth of San Rafael Creek in rough weather.

6. The District Court erred in not concluding, finding and holding that the launch "Seven Bells" was in all respects sufficient and seaworthy for the business in which she was engaged at the times and under the circumstances involved in the case at bar.

7. The District Court erred in not concluding, finding and holding that there was no negligence or want of care in the navigation of the launch "Seven Bells" at any of the times involved in the case at bar; and in not concluding, finding and holding that due and proper care was at all of said times exercised in the navigation of said launch, and in the towing by her of said barge.

8. The District Court erred in not concluding, finding and holding that the launch "Seven Bells" was justified in leaving the city of San Francisco upon the morning in question in the case at bar, and that those in charge of her navigation exercised due care and acted as cautious, reasonable and prudent

navigators in leaving said city at said time, with said barge.

9. The District Court erred in failing to take into consideration in deciding the case at bar, the peculiar nature of the continuous voyage which the launch "Seven Bells" with her tow was required to make, involving as it did, first, the navigation of the deep waters of San Francisco Bay, and then the navigation of the shallow waters of San Rafael Creek.

10. The District Court erred in exercising hypercritical scrutiny of the catastrophy involved in the case at bar, after its occurrence, [185] as the test of fault or insufficiency on the part of the launch "Seven Bells," instead of accepting and relying upon the judgment of prudent and experienced navigators presently confronted with the situation involved.

11. The District Court erred in concluding that the weather during the times involved in the case at bar was such as was to be ordinarily expected on San Francisco Bay at that season of the year; and in not concluding, finding and holding that a storm arose, with a suddenness and of a violence extraordinary, unusual and unforeseeable, which caused all loss in question in the case at bar; and in not concluding, finding and holding that said storm was an act of God and a peril of the sea.

12. The District Court erred in failing to conclude, find and hold that the launch "Seven Bells" was not under a common carrier's liability with relation to libelant's cargo, and that the burden of proof was upon libelant, with reference to said launch, to

affirmatively prove and establish negligence upon her part.

Dated San Francisco, California, February 23, 1916.

ANDROS & HENGSTLER,
I. F. CHAPMAN,
GOLDEN W. BELL,

Proctors for Claimants of Launch "Seven Bells," and Appellant.

Receipt of a copy of the within Assignment of Errors is hereby admitted this 23d day of February, 1916.

IRA S. LILLICK,
Proctor for Respondents.
H. W. HUTTON,
Proctor for Libelant.

[Endorsed]: Filed Feb. 23, 1916. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. **[186]**

In the District Court of the United States, for the Northern District of California, First Division.

IN ADMIRALTY—No. 15,594.

V. J. B. CHEDA,

Libelant,

vs.

HALVORSEN TRANSPORTATION COMPANY, a Corporation, J. B. ARKISON, H. C. HALVORSEN, GEORGE W. DORNIN, A. M.

DE VALL, a Certain Barge and Gasoline Launch, "SEVEN BELL," Her Engines, Machinery and Appurtenances,

Respondents.

HALVORSEN TRANSPORTATION COMPANY, a Corporation,

Claimant.

Notice of Appeal (Halversen Transportation Co. et al.).

To V. J. B. Cheda and to H. W. Hutton, his Attorney, and to W. B. Maling, Clerk of the District Court of the United States, for the Northern District of California.

You, and each of you, will please take notice that Halvorsen Transportation Company, a corporation, J. B. Arkison, H. C. Halvorsen, George W. Dornin, P. S. Colby, C. R. Codding and G. C. Codding, respondents in the above-entitled cause, and Halvorsen Transportation Company, a corporation, claimant of said barge, hereby appeal to the United States Circuit of Appeals, for the Ninth Circuit, from the final decree of the District Court of the United States, for the Northern District of California, entered in said cause upon the 30th day of October, 1915.

Dated November 17th, 1915.

O. K. GRAU,
IRA S. LILLICK,

Proctors for Halvorsen Transportation Co., a Corporation, J. B. Arkison, H. C. Halvorsen, Geo. W. Dornin, Halvorsen Transportation Co., as Claimant of Said Barge, P. S. Colby, C. R. Codding and G. C. Codding. [187]

Due service and receipt of a copy of the within Notice of Appeal is hereby admitted this 20 day of November, 1915.

H. W. HUTTON,
Proctor for Libelant.
ANDROS & HENGSTLER,
I. F. CHAPMAN,
GOLDEN W. BELL,
Proctors for "Seven Bells."

[Endorsed]: Filed, Nov. 22, 1915. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. [188]

In the District Court of the United States, for the Northern District of California, First Division.

IN ADMIRALTY—No. 15,594.

V. J. B. CHEDA,
Libelant and Appellee,
vs.

HALVORSEN TRANSPORTATION CO., a Corporation, J. B. ARKISON, H. C. HALVORSEN, GEORGE W. DORNIN, C. R. CODDING, G. C. CODDING, P. S. COLBY, A. M. DE VALL, and a Certain Barge,
Respondents and Appellants.

HALVORSEN TRANSPORTATION CO., a Corporation,
Claimant of Said Barge and Appellant.

Assignment of Error (Halversen Transportation Co. et al).

Comes now the Halvorsen Transportation Co., J. B. Arkison, H. C. Halvorsen, George W. Dornin, C. R. Codding, G. C. Codding, P. S. Colby and A. M. De Vall, appellants herein, and assign as errors in the conclusions, findings, proceedings and decree of the District Court the following:

I.

The District Court erred in ordering and in entering a decree in favor of libelant against appellants above named.

II.

The District Court erred in not dismissing libelant's amended libel against said appellants, with costs to said appellants.

III.

The District Court erred in concluding that the launch, "Seven Bells," and the unnamed barge described in the amended libel were not sufficient for the business in which they were engaged for weather ordinarily to be expected in winter on San Francisco Bay and its tributaries. [189]

IV.

The District Court erred in concluding that the launch "Seven Bells," was not sufficient to handle said barge in weather ordinarily to be expected in winter on San Francisco Bay and its tributaries.

V.

The District Court erred in concluding that the launch, "Seven Bells," was not sufficient to handle

the barge on the flats near the mouth of the San Rafael Creek in rough weather.

VI.

The District Court erred in concluding that the weather during the times involved in the case at bar was such as was to be ordinarily expected on San Francisco Bay at that season of the year, and in not concluding, finding and holding that a storm arose with a suddeneness and of a violence extraordinary, unusual and not forseeable, which caused all loss in question in the case at bar, and that said storm was an act of God and a peril of the sea.

VII.

The District Court erred in not concluding, finding and holding that said appellants and owners of said unnamed barge had exercised due diligence to provide a seaworthy barge and to employ a seaworthy launch.

VIII.

The District Court erred in concluding, finding and holding that the peril encountered by said launch and barge on the voyage in question could have been weathered by a seaworthy vessel, and that said peril was the proximate cause of the loss, and not the unseaworthy condition of the launch and barge, if the same were unseaworthy.

IX.

The District Court erred in not concluding, finding and [**190**] holding that, if the proximate cause of the loss was an unseaworthy condition of the launch and barge, but nevertheless the owner of the barge had exercised due diligence to make the barges seaworthy and to employ a seaworthy launch,

said appellants were exempt from liability by the bill of lading under which said cargo was shipped.

X.

The District Court erred in not concluding, finding and holding that said appellants and the owners of said barge were exempt from liability under the Act of Congress, approved Feb. 13, 1893, entitled "An Act Relating to the Navigation of Vessels, Bills of Lading and Certain Obligations, Duties and Rights in Connection with the Carriage of Property," the so-called Harter Act.

XI.

The District Court erred in not concluding, finding and holding that the liability, if any, of said appellants and the owners of said barge is limited to the amount, or value, of their interest in the barge and freight just after the stranding and wrecking, under the Act of Congress of March 3, 1851; the so-called Limited Liability Act.

Dated San Francisco, Cal., March 1, 1916.

IRA S. LILLICK and
O. K. GRAU,

Proctors for Halvorsen Transportation Co., J. B. Arkison, H. C. Halvorsen, George W. Dornin, C. R. Codding, G. C. Codding, P. S. Colby and A. M. DeVall, and Claimants of an Unnamed Barge and Appellants.

Due service and receipt of a copy of the within

Assignment of Error is hereby admitted this 1st day of March, 1916.

H. W. HUTTON,
Proctor for Libelant and Appellee.
I. F. CHAPMAN,
ANDROS & HENGSTLER,
GOLDEN W. BELL,
Proctors for "Seven Bells," etc.

[Endorsed]: Filed, Mar. 1, 1916. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. [191]

In the District Court of the United States, for the Northern District of California.

No. 15,594.

V. J. B. CHEDA,

Libelant,

vs.

HALVORSEN TRANSPORTATION COMPANY, a Corporation, J. B. ARKISON, H. C. HALVORSEN, GEORGE W. DORNIN, A. M. DE VALL, a Certain Barge and Gasoline Launch "SEVEN BELLS," Her Engines, Machinery and Appurtenances,

Respondents.

Stipulation Respecting Apostles on Appeal.

IT IS HEREBY STIPULATED AND AGREED by and between all of the parties hereto that the same Apostles on Appeal may be used on the appeals of all of the respondents herein.

Dated December 21, 1915.

H. W. HUTTON,
Proctor for Libelant.
IRA S. LILLICK,
O. K. GRAU,
Proctors for Halvorsen Transportation Co.
ANDROS & HENGSTLER,
GOLDEN W. BELL,
Proctors for "Seven Bells."

[Endorsed]: Filed, Dec. 21, 1915. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. [192]

In the District Court of the United States, in and for the Northern District of California, First Division.

IN ADMIRALTY—No. 15,594.

V. J. B. CHEDA,

Libelant,

vs.

HALVORSEN TRANSPORTATION CO., a Corporation et al.,

Respondents.

HALVORSEN TRANSPORTATION CO., a Corporation,

Claimant.

Stipulation and Order [Directing Transmission of Original Exhibits to Appellate Court].

IT IS HEREBY STIPULATED AND AGREED, by and between the parties hereto, that all of the exhibits introduced in the depositions taken before the

commissioner in the above-entitled cause, and all exhibits introduced at the hearing before the above-entitled court, may be sent up to the United States Circuit Court of Appeals for the Ninth Circuit, as original exhibits for the Apostles on Appeal.

Dated February 25th, 1916.

H. W. HUTTON,
Proctor for Libelant.
ANDROS & HENGSTLER,
GOLDEN W. BELL,
Proctors for Claimant of Launch "Seven Bells."
IRA S. LILLICK,
O. K. GRAU,
Proctors for Halvorsen Transportation Company et al.

It is so ordered by the Court.

Dated February 25, 1916.

M. T. DOOLING,
Judge.

[Endorsed]: Filed Feb. 25, 1916. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. **[193]**

In the District Court of the United States, for the Northern District of California.

No. 15,594.

V. J. B. CHEDA,
Libelant,

vs.

Gas Launch "SEVEN BELLS," Her Tackle, Apparel, Furniture, Engines, Machinery and Appurtenances,
Respondents.

Order Extending Time to [January 20, 1916, to] Prepare Apostles on Appeal.

GOOD CAUSE APPEARING THEREFOR: IT IS HEREBY ORDERED that the appellants herein may have to and including the 20th day of January, 1916, within which time to procure to be filed the apostles on appeal certified by the Clerk of the District Court, and that the clerk of the District Court have to and including said day within which time to prepare and certify such apostles.

Dated December 20, 1915.

M. T. DOOLING,
Judge of Said Court.

[Endorsed]: Filed Dec. 20, 1915. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. **[194]**

In the District Court of the United States, for the Northern District of California.

No. 15,594.

V. J. B. CHEDA,

Libelant,

vs.

Gas Launch "SEVEN BELLS," Her Tackle, Apparel, Furniture, Engines, Machinery and Appurtenances,

Respondent.

Order Extending Time to [February 21, 1916] to Prepare Apostles on Appeal.

GOOD CAUSE APPEARING THEREFOR: IT IS HEREBY ORDERED that the appellants herein

may have to and including the 21st day of February, 1916, within which time to procure to be filed the apostles on appeal certified by the clerk of the District Court, and that the Clerk of the District Court have to and including said day within which time to prepare and certify such apostles.

Dated January 18, 1916.

M. T. DOOLING,
Judge of Said Court.

[Endorsed]: Filed, Jan. 18, 1916. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. **[195]**

In the District Court of the United States, for the Northern District of California.

No. 15,594.

V. J. B. CHEDA,

Libelant,

vs.

Gas Launch "SEVEN BELLS," Her Tackle, Apparel, Furniture, Engines, Machinery and Appurtenances,

Respondent.

Order Extending Time to [March 2, 1916] to Prepare Apostles on Appeal.

GOOD CAUSE APPEARING THEREFOR: IT IS HEREBY ORDERED that the appellants herein may have to and including the 2d day of March, A. D. 1916, within which time to procure to be filed the apostles on appeal certified by the clerk of the District Court, and that the Clerk of the District

Court have to and including said day within which time to prepare and certify such apostles.

Dated San Francisco, California, February 21, 1916.

M. T. DOOLING,
Judge of Said Court.

[Endorsed]: Filed Feb. 21, 1916. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. **[196]**

In the District Court of the United States, for the Northern District of California.

No. 15,594.

V. J. B. CHEDA,

Libelant,

vs.

HALVORSEN TRANSPORTATION COMPANY et al.

Order Extending Time to [March 11, 1916] to Prepare Apostles on Appeal.

GOOD CAUSE APPEARING THEREFOR: IT IS HEREBY ORDERED that the appellants herein may have to and including the 11th day of March, A. D. 1916, within which to procure to be filed the apostles on appeal certified by the clerk of the District Court, and that the Clerk of the District Court have to and including said day within which time to prepare and certify such apostles.

Dated San Francisco, California, March 2d, 1916.

M. T. DOOLING,
Judge of Said Court.

[Endorsed]: Filed, Mar. 2, 1916. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. **[197]**

Certificate of Clerk, U. S. District Court, to Apostles on Appeal.

I, Walter B. Maling, clerk of the District Court of the United States of America, for the Northern District of California, do hereby certify that the foregoing 197 pages, numbered from 1 to 197, inclusive, contain a full, true, and correct transcript of certain records and proceedings, in the case of V. J. B. Cheda vs. Halversen Transportation Company, a Corp., et al., number 15,594, as the same now remain on file and of record in the office of the clerk of said District Court; said transcript having been prepared pursuant to and in accordance with "Amended Praecipe for Apostles on Appeal" (copy of which is embodied in this transcript), and the instructions of Golden W. Bell, Esq., one of the attorneys for appellants herein.

I further certify that the cost for preparing and certifying the foregoing transcript on appeal is the sum of ne Hundred Eight Dollars and Twenty Cents ($108.20), and that the same has been paid to me by the attorneys for appellants herein.

(Four exhibits are transmitted herewith in their original form, pursuant to an order of this Court; a copy of which is included in this transcript.)

IN WITNESS WHEREOF, I have hereunto set

my hand and affixed the seal of said District Court, this 10 day of March, A. D. 1916.

[Seal] WALTER B. MALING,
Clerk.

By C. W. Calbreath,
Deputy Clerk.

[Ten Cent Internal Revenue Stamp. Canceled 3/10/16. C. W. C.]

CMT. **[198]**

[Endorsed]: No. 2760, United States Circuit Court of Appeals for the Ninth Circuit. Halvorsen Transportation Company, a Corporation, J. B. Arkison, H. C. Halvorsen, George W. Dornin, C. R. Codding, G. C. Codding, P. S. Colby, and A. M. De Vall, and a Certain Barge and the Gasoline Launch "Seven Bells," Her Engines and Machinery and Appurtenances, Appellant, vs. V. J. B. Cheda, Appellee. Apostles on Appeal. Upon Appeal from the United States District Court for the Northern District of California, First Division.

Filed March 11, 1916.

F. D. MONCKTON,
Clerk of the United States Circuit Court of Appeals for the Ninth Circuit.

By Paul P. O'Brien,
Deputy Clerk.

No. 2760

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

HALVORSEN TRANSPORTATION COMPANY (a corporation), J. B. ARKISON, H. C. HALVORSEN, GEORGE W. DORNIN, C. R. CODDING, G. C. CODDING, P. S. COLBY and A. M. DEVALL, and a certain barge and the gasoline launch "SEVEN BELLS", her engines and machinery and appurtenances,

Appellants,

vs.

V. J. B. CHEDA,

Appellee.

BRIEF FOR APPELLANTS, HALVORSEN TRANSPORTATION COMPANY ET AL.

O. K. GRAU,
IRA S. LILLICK,
Proctors for Appellants, Halvorsen Transportation Company et al.

HILL & SEALBY,
Of Counsel.

Filed
MAY 15 1916
FRANK D. MONCKTON, Clerk.
Clerk.

Filed this.....day of May, 1916.

FRANK D. MONCKTON, Clerk.

By.....Deputy Clerk.

No. 2760

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

HALVORSEN TRANSPORTATION COMPANY (a corporation), J. B. ARKISON, H. C. HALVORSEN, GEORGE W. DORNIN, C. R. CODDING, G. C. CODDING, P. S. COLBY and A. M. DEVALL, and a certain barge and the gasoline launch "SEVEN BELLS", her engines and machinery and appurtenances,

Appellants,

vs.

V. J. B. CHEDA,

Appellee.

BRIEF FOR APPELLANTS, HALVORSEN TRANSPORTATION COMPANY ET AL.

Statement of Facts.

On the 31st day of December, 1913, the launch "Seven Bells", with a barge belonging to the respondent, Halvorsen Transportation Co., in tow, set out on one of their regular voyages, on the Bay of San Francisco, from the Port of San Fran-

cisco to the Port of San Rafael. The weather had been more or less stormy the day previous, but the storm had apparently abated, and, at 8:15 o'clock that morning, when the launch and barge cast off from the seawall, in San Francisco, the sea was smooth, with a slight swell running from the south. A fair, but moderate, breeze was blowing from the southeast, and the weather continued to be moderate while they were crossing the channel, and up to Southampton Shoal, where shelter could have been had by putting into Raccoon Straits. At that point, they hauled off towards the Marin shore in order to avoid the swell up the bay caused by the storm of the day before. No change in weather was noted until they had California City abeam, when the wind increased and shifted a little to the westward, probably due to the high hills along the shore at this point. Between California City and Point San Quentin, the wind had become more violent and blew in squalls, but, as no shelter could be had on account of the rocky beach on the shallow lee shore, no course was open to them other than to continue on their voyage. After passing Point San Quentin, the wind increased in violence and, before the entrance to San Rafael Creek was reached, one of the worst storms ever known on the bay was raging. At that point the wind was blowing in squalls. In addition to this, the extremely shallow water at the entrance to the creek made it impossible to effect an entrance, nor could

the barge be towed to the nearest place of safety, the lee side of the Marin islands, as the launch struck bottom in the trough of every sea. Under such conditions, no steerageway could be had on the launch, and, being further handicapped by the tow, navigation in the storm was entirely out of the question. There was no choice left to the captain of the launch, and he did the only thing which could have been done under the circumstances; that is, drop the barge and attempt to allow it to drift up on the mud flat near that point. Owing to the strong, squally wind, the action of the breakers, the tide and the currents, the barge did not drift on the mud flat, but, instead, was carried against the rocks near the entrance to the creek, where it broke up, and nearly all of the cargo of general merchandise was lost.

This action was brought by an assignee of the cargo owners to recover the value of the cargo so lost, and the Court below held that the owners of the barge, the Halvorsen Transportation Co., and its stockholders, were liable, with the "Seven Bells", for its loss, because

> "while the 'Seven Bells' was able to handle the barge in deep water, or on the flats in fair weather, she was not sufficient to handle the barge on the flats in rough weather, and that, therefore, the combination of the barge and launch was not sufficient for the business in which they were engaged for weather ordinarily to be expected in winter".

The Assignments of Error.

The appellants, in their assignments of error, contend that the District Court erred in:

(a) Ordering a decree in favor of libelants.

(b) In not dismissing libelants' amended libel.

(c) In concluding that the launch "Seven Bells" and the barge were not sufficient for the business in which they were engaged for weather ordinarily to be expected in winter on San Francisco Bay, and its tributaries.

(d) In concluding that the launch was not sufficient to handle the barge in weather ordinarily to be expected in winter on San Francisco Bay and its tributaries.

(e) In concluding that the launch was not sufficient to handle the barge on the flats near the mouth of the San Rafael Creek in rough weather.

(f) In concluding that the weather during the times involved in the case at bar was such as would be ordinarily expected on San Francisco Bay at that season of the year, and in not concluding, finding and holding that a storm arose with a suddenness and of a violence extraordinary, unusual and not foreseeable, which caused the loss, and that said storm was an act of God and a peril of the sea.

(g) In not concluding, finding and holding that the appellants, the owners of the barge, had exercised due diligence to provide a seaworthy barge and to employ a seaworthy launch.

(h) In concluding, finding and holding that the peril encountered by the launch and barge could have been weathered by a seaworthy vessel, and in not concluding that said peril was the proximate cause of the loss and not the unseaworthy condition of the launch and barge, if they were unseaworthy.

(i) In not concluding, finding and holding that if the proximate cause of the loss was an unseaworthy condition of the launch and barge, but, nevertheless, the owner of the barge had exercised due diligence to make the barge seaworthy and to employ a seaworthy launch, said appellants were exempt from liability by the bill of lading under which said cargo was shipped.

(j) In not concluding, finding and holding that said appellants and the owners of the barge were exempt from liability under the provisions of the Harter Act.

(k) In not concluding, finding and holding that the liability, if any, of said appellants and the owner of the said barge was limited to the amount or value of their interest in the barge and freight just after the stranding and wrecking, under the Act of Congress called the "Limited Liability Act".

Argument.

In view of the fact that the launch "Seven Bells" was not owned, nor controlled, by the respondents, nor were those in charge of the launch under their

direction, or supervision, as shown by the undisputed testimony of the witnesses for both the claimant and respondents, we are not concerned with any alleged acts of negligence in regard to the navigation of the launch. For that reason, our argument will be confined to the alleged unseaworthiness of the tug, the seaworthiness of the barge, and such other matters as relieve the respondents of liability.

THE HARTER ACT.

We will first consider the Harter Act as a complete defense to the action. The third section provides:

> "Sec. 3. That if the owner of any vessel transporting merchandise or property to or from any port in the United States of America shall exercise due diligence to make the said vessel in all respects seaworthy and properly manned, equipped and supplied, neither the vessel, her owner or owners, agent or charterers, shall become or be held responsible for damages or loss resulting from faults or errors in navigation or in the management of said vessel, nor shall the vessel, her owner or owners, charterers, agent, or master be held liable for losses arising from dangers of the sea or other navigable waters, acts of God, or public enemies, or the inherent defect, quality or vice of the thing carried, or from insufficiency of package, or seizure under legal process, or for loss resulting from any act or omission of the shipper or owner of the goods, his agent or representative, or from saving or attempting to save life or property at sea, or from any deviation in rendering such service."

The burden of proof then, in the absence of the contract, is upon the carrier to show that he did exercise due diligence to make the vessel seaworthy, properly manned, equipped and supplied, and, furthermore, to show that the goods were damaged or lost by one of the causes mentioned in the third section above quoted. Having offered sufficient evidence of the performance of the above obligations and the cause of loss, or damage, to establish a prima facie defense, if no further testimony were taken the libel would necessarily be dismissed. The weight of evidence, not the burden of proof, shifts then to the libelant and he must offer proof in rebuttal that the carrier did not provide a seaworthy vessel, or that the loss, or damage, was not occasioned by the causes named in said Section 3, or that it was due to some other cause from which the carrier is not exempt under the Act. Negligence is never presumed, and, if the carrier claims that, even though it was proved the carrier had used due diligence to make the vessel seaworthy, and the loss or damage was occasioned by one of the exempted causes, still the goods would not have been lost but for some negligence on the part of the carrier, the burden of proof is upon the libelant to establish such negligence.

The Lind, 12 How. 272;
Western Transportation Co. v. Downer, 11 Wall. 129;
Cau v. Railway Co., 194 U. S. 427;
The Folmina, 212 U. S. 354, p. 362.

THE BARGE WAS SEAWORTHY.

The barge used by the respondents in the San Rafael trade was 68 feet over all, with a 28 foot beam, a draft of from 12 to 16 inches, and was the usual type of barge engaged in that class of trade on the bay. It was practically new and admitted to be water tight and in good condition by libelant's witness Silva (Apostles, pp. 53 and 54):

"Q. The barge was a good barge, wasn't she?

"A. Yes, sir.

"Q. Pretty nearly new?

"A. Yes, sir.

"Q. Didn't leak at all?

"A. No.

"Q. How long had you worked on her before this happened?

"A. About three or four months.

"Q. During the three or four months you went over there every day, didn't you?

"A. Yes, sir.

"Q. And sometimes came back at night?

"A. Yes.

"Q. During all that time she never leaked at all?

"A. No, sir.

"Q. That barge had a little house on it?

"A. Yes, sir.

"Q. And the cargo was inside that house?

"A. Yes, sir.

"Q. Covered over so that water could not get in?

"A. It is covered over in front, but she had a door.

"Q. And with a big space in front for wagons to be on?

"A. Yes, sir.

"Q. You said that the rope on the anchor was 5 or 6 inches big. What do you mean by 5 or 6 inches—show us?

"A. About that big around. (Indicating.)

"Q. You could tie a knot in it very easily, couldn't you?

"A. Yes, sir."

The libel alleges that the barge was unseaworthy because it had no anchor chain and only one man on board when it should have had at least two. It appears, however, that the barge was equipped with a two hundred pound anchor and a line five or six inches in circumference. Libelant was of the opinion that a chain should have been provided, but other barges used lines instead of chains and some had no anchors or lines at all. Apparently this point was abandoned at the trial.

Respondents also employed a man to assist with the navigation and handling the cargo. That trade does not require a crew on barges, as they have no steering apparatus or means of propulsion, and the number of men sent along with the barges depends on the number needed for loading or unloading. That the barge was tight, staunch and strong is further shown by the fact that she hauled merchandise of a perishable nature and provisions between the ports of San Francisco and San Rafael for several months prior to December 31, 1913, without loss or damage. Mr. Crowley testified that the barge was a new one and seaworthy. This was uncontradicted.

These facts were not disputed. The loss in the present case could not, by any possibility, be attributed to a supposed unseaworthy condition of the barge. If it had been built of steel and manned by a large crew, the same loss would have resulted. Two anchors with anchor chains would not have held in the soft mud against such a storm, nor would other appliances have been of any assistance whatever, so far as saving the cargo was concerned.

THE DISTRICT COURT ADOPTED AN ERRONEOUS RULE TO DETERMINE THE SEAWORTHINESS OF THE LAUNCH.

We do not wish to admit that the owner of a barge is bound, at all hazards and in all cases, to see that the tug which tows his barge is seaworthy in every respect. It will be remembered, under the contract between the claimants and respondents, the claimants were simply bound to get the barge to San Rafael and back again daily, in such manner and with such launches as they thought advisable to use for that purpose. The Halvorsen Transportation Company could not have been expected to have a representative at the dock every morning to see that the launch the claimant intended to use for the trip was seaworthy; for example, that the spark plugs in the engine were clear and that there was no carbon in the cylinders; that the water, if any, had been drained out of the carbureter and to make proper tests of the fuel in the gas tank, in order to determine whether or not an inferior qual-

ity had been furnished. Neither would it seem reasonable to require the respondents to conduct an examination of each captain furnished by claimants, if different captains were provided for the several trips, yet all of these matters are essential to the seaworthiness of the launch. We have not been able to find any cases holding the owners of a barge liable for the unseaworthiness of a tug not belonging to them, nor apparently has proctor for libelant. In his opening brief in the lower Court he cited the case of *The Wildcroft,* 209 U. S. 378, to support the proposition that "he (the claimant) must show also that the tug boat was sufficient, the master competent; that is, that the master of the tug boat was competent", but we find no reference whatever to a tug boat in that case. In fact, the next case there cited by libelant apparently holds just the opposite.

The Cygnet, 126 Fed. 742.

In that case, the tug with the barge in tow ran into one of the piers of a bridge and the cargo on the barge was lost. The owners of the cargo sued the tug and the owners of the barge. The District Court found that the barge was in fault, and that the tug was not. On appeal, this decree was reversed and the tug found solely in fault. Thereafter the record owner of the tug petitioned for a rehearing, claiming that, as the tug was under charter to the owners of the barge, therefore, it was entitled to the benefit of a limitation of its liability under the provisions of the Harter Act. The

petition for a rehearing was granted, and the Court in the opinion subsequently rendered, declined to pass upon the point as to whether or not that Act would apply to the tug under such circumstances, but held that at all events the tug was not entitled to limit its liability because it was unseaworthy in that it was not properly manned. The decision of the District Court was reversed, and the Court held the barge liable and directed that a decree be entered against the tug alone. If the insufficiency of the tug was so apparent that it would amount to an act of negligence on the part of the barge owner to employ such a tug, we do not mean to argue that the owners of the barge would not be liable. That is materially different, however, from holding the barge owners liable on an implied warranty of the seaworthy condition of a vessel belonging to third parties.

The District Court held that the "Seven Bells" was unseaworthy because, while she "was able to handle the barge in deep water, or on the flats in fair weather, she was not sufficient to handle the barge on the flats in rough weather". This, we respectfully submit, is not the proper method of determining the seaworthiness of a vessel, and we earnestly contend that the Court fell into an error on that point. Under such a ruling, it would be impossible to determine when a vessel was properly equipped for a voyage, because it would depend on what particular part of the voyage she met with the accident. Assume that a vessel of light draft, built

for trade with a shallow draft port of discharge, encounters a storm in the open sea; a severe storm, but not unusual, and one which might have been anticipated on that voyage. On account of her light draft and consequently the small area of her submerged surface, to resist the force of the wind on her exposed surface, she fails to respond to her helm promptly and remains hove to. She falls off from the wind in the trough, shipping a heavy sea, which, combined with her necessarily unusual metacentric height, capsizes her and she founders. On a suit brought by the cargo owners the Court, under the rule stated, would hold that, while she was able to navigate successfully in the open sea, or in the shallow bay at the port of discharge, in fair weather, she was not sufficient to navigate in the open sea in rough weather and that therefore the vessel was not sufficient for the business in which she was engaged for weather ordinarily to be expected on that voyage.

Assume that the owners then purchase a deeper draft vessel for that trade and while attempting an entrance to the shallow bay at the port of discharge is caught by a series of heavy swells, causing the after part of the keel, set deep below the surface to strike the bottom violently and her rudder post is carried away. Being thus unable to navigate, she strands and breaks upon the beach and her cargo is lost. On a suit brought by the cargo owners, the Court, under the rule stated, would hold that, while she was able to navigate successfully in deep water,

or in the shallow bay at the port of discharge in smooth water, she was not capable of navigating in the shallow bay at the port of discharge when a heavy swell was running, and that, therefore, the vessel was not a proper one for the business in which it was engaged for conditions ordinarily to be expected on that voyage.

Under the ruling of the District Court, it would be impossible to have a seaworthy vessel for that trade.

If a carrier has provided a vessel which, by the experience of those engaged in the particular trade, has been adjudged by them to be the best suited to meet all of the requirements of that trade, the cases hold that he has provided a seaworthy vessel.

Tidmarsh v. Ins. Co., Fed Cas. 14,024.

The plaintiff declared on a policy of marine insurance, and the defendant company claimed that because of the insufficiency of her sails and windlass, the vessel was not seaworthy at the time of her departure, which was a condition precedent to the attaching of the policy. Justice Story, in stating the proper test of seaworthiness of a vessel, uses the following language, on page 1198:

> "In short, the true point of view, in which the present case is to be examined, is this, was the 'Emily' equipped for the voyage in such manner, as vessels of her class are usually equipped in the Province of Nova Scotia, and port of Halifax, for like voyages, so as to be deemed fully seaworthy for the voyage, and

> sufficient for all the usual risks. If so, the plaintiff, on this point, is entitled to a verdict."
>
> *The Titania,* 19 Fed. 101.

Under the bill of lading the liability of the vessel to the cargo owners for injury to the cargo depended on whether or not the cargo could have been insured against such an injury and that depended on the further question of whether or not the vessel was seaworthy. In holding that the vessel was seaworthy, Judge Brown, of the Southern District of New York, quoted at length with approval from the opinion of Judge Story, in *Tidmarsh v. Insurance Co.,* including the quotation above set out and continued, on page 107:

> "The question of seaworthiness, therefore, as regards the implied warranty in favor of the insurer or of the shipper of goods, is to be determined with reference to the customs and usages of the port or country from which the vessel sails, the existing state of knowledge and experience, and the judgment of prudent and competent persons versed in such matters. If, judged by this standard, the ship is found in all respects to have been reasonably fit for the contemplated voyage, the warranty of seaworthiness is complied with, and no negligence is legally attributable to the ship or her owners."

The cases on this point are reviewed in the *Indrapura,* 190 Fed. 711, decided by this Court in October, 1911. In that case the testimony of the experts, in regard to seaworthiness of the vessel, was conflicting, and also the testimony as to the

custom of the usual construction of such a vessel. This Court was in serious doubt as to whether the vessel should have been held unseaworthy under the circumstances, but did not feel justified in setting aside the conclusion of the district judge. The rule was expressly affirmed, however, that the seaworthiness of a vessel should be determined by the custom and usage of the port and the judgment of prudent and competent persons, though the court observed that such testimony was not necessarily conclusive. In the opinion, the *Lizzie Frank,* 31 Fed. 477, is quoted, as follows:

> "Where a vessel is constructed and equipped in the mode usual and customary with other vessels of like character, and in a mode approved by competent judges and previous experience, then, in case of an accident happening by reason of a latent defect in the equipment and construction, there is no negligence on the part of the owner."

It will be noted presently that there is no conflict in the testimony in the case at bar, either as to the custom and usage of this port, nor in regard to the equipment of the "Seven Bells", nor the use of such a launch for the business in which she was engaged, nor in the testimony of the experts as to the seaworthiness of both launch and barge.

In the case of the *Boston Marine Insurance Co. v. Metropolitan Redwood Lumber Co.,* 197 Fed. 703, decided by this Court in July, 1912, it was contended that the vessel was unseaworthy because of the noise and location of her oil burners. The

Court, however, decided that she was seaworthy because the evidence showed that she had the oil burning apparatus which was in common use in vessels of her class. Citing the *Titania* and the *Indrapura.*

What does the evidence in the case at bar show?

Peterson, an expert called by libelant, on direct examination, testified that a 40 horsepower gasoline boat would be sufficient to handle the Halvorsen barge under ordinary circumstances, but not in a southeast *gale* on the San Rafael flats (Apostles, pp. 68 and 70).

On page 70, the same witness on cross-examination, testified:

> "Q. Speaking from your knowledge of your experience at sea, what is considered a gale, how many knots an hour?
>
> "A. It generally runs up from 40 to 80 an hour.
>
> "Q. And in the answers you were making to Mr. Hutton's questions about a southeaster, you were using 'southeaster' as a term to express a gale, were you not?
>
> "A. Yes, sir.
>
> "Q. You have personally towed boats over to San Rafael, haven't you?
>
> "A. Yes; quite a while ago; I send men over there now.
>
> "Q. You would have no hesitation in sending out a barge similar to this of the Halvorsen Transportation Company with one of your launches, a 40 horsepower launch, when the wind was blowing from 20 to 25 knots an hour here on this side, would you?
>
> "A. No.

"Mr. Bell. You don't suspend your towing business on the bay, do you, between November and January?

"A. No, sir; not at any time in the year."

Witness Gilmore, called for the claimant, testified (Apostles, p. 99) that the launch "Seven Bells" was 46 feet long, with a 15 foot beam, a draught of 4½ feet, and was equipped with a new 50 horsepower Standard Gas Engine.

Witness Crowley, an expert called by respondents, testified (Apostles, pp. 164, 165 and 166) that he was the manager of the Crowley Launch & Tug Boat Company and had been engaged in that business for twenty years on the Bay of San Francisco. He stated that he knew the launch "Seven Bells", and the barge in question, and says, unequivocally, that the launch was quite capable of handling that barge, which was a small one, between San Francisco and San Rafael; that his company did business on that run and used about the same size boat on the job, with the same engine; that a larger draft launch could not get into San Rafael Creek, except once in a while at a high tide, and the most practical boat would be one like the "Seven Bells". (Independent of any testimony, a glance at the chart would be sufficient to convince one of that fact, as at low tide there is only about one foot of water from the mouth of the creek to a considerable distance in the bay.) He further states that, in the exercise of his best judgment, he would have sent out the "Seven Bells" with

the barge in tow under the circumstances on that particular trip.

> "The towboat was strong enough to pull that barge under any ordinary conditions, except those particular squalls or heavy winds that morning" (Apostles, p. 175).

Witness McLaughlin, called by respondent, was also in the towing business on the bay and left the Port of San Francisco on the same morning with a barge in tow about 54 feet long, with a 30 foot beam and he used as a tug a launch 52 or 54 feet long, equipped with a 50 horsepower engine. He was bound for McNears Point, only a short distance from the entrance to San Rafael Creek (Apostles, p. 180).

Witness Doe, called by respondents, is the manager of the San Rafael Express Co., and had formerly operated the launch "President", of 50 horsepower, in handling freight between San Francisco and Sausalito, and started from the Port of San Francisco, at 8:30 in the morning of December 31, 1913, for Sausalito (Apostles, p. 191).

Both of these last named witnesses, thoroughly experienced and competent men started out on the same morning with similar equipment and both testify as to the unusual severity and suddenness of the storm which arose while they were on their respective voyages. We have searched the record in vain for any evidence which might tend to show a different custom or usage in this port, with reference to the type of launch and the proper equip-

ment for this trade. We challenge proctor for libelant to point out a single statement by any witness, his own included, which even suggests that the launch "Seven Bells" was not the usual type of craft employed in the trade, or which tends to show even a slight doubt in the mind of any witness that the launch "Seven Bells" was sufficient to meet the ordinary perils which might reasonably have been anticipated on that voyage.

On the direct examination of Mr. Codding, some mention was made of the competency of the captain, and a conversation was referred to on that point between Mr. Codding and Mr. O'Brien. It appears, however, that that conversation related entirely to the character of the captain and his method of loading and unloading the barge at San Rafael; Mr. O'Brien being of the opinion that the same was not done with promptness and dispatch, but the captain's ability as a navigator was never questioned (Apostles, p. 157). Mr. McLaughlin (for respondents), testified that Captain Gilmore was a proper and efficient party to place in charge of the tug and tow for such trips on the bay (Apostles, p. 189).

It is submitted that it clearly appears from the evidence that not only the respondents exercised due diligence to obtain a seaworthy launch, but that the launch was in fact seaworthy. The District Court neglected to find on the question of due diligence, which is, so far as the owner is concerned, the only requirement of the Harter Act.

THE INJURY WAS CAUSED BY A PERIL EXEMPTED UNDER THE HARTER ACT.

Was the loss or damage in the case at bar caused from fault or error in navigation, or management of the vessel? Was it a loss arising from the dangers of the sea, or other navigable waters? Can it be said to have been caused by an act of God? If any one of these questions is answered in the affirmative, the respondents represented by us are not liable.

We do not think it necessary to go into the evidence in detail in this connection, as the witnesses for both libelant and respondents were of the opinion that the storm was of unusual violence, "the worst which had even been known upon the Bay". The squalls which piled this barge up on the rocks of the Marin shore were not such as might have been anticipated by respondents, nor to be reasonably expected as an ordinary peril of the contemplated voyages which were necessary to the prosecution of their business. It cannot be contended that such a situation was even near that shadowy boundary line which distinguishes the dangers of the sea and the acts of God from those perils in which a human agency assisted, or could have been weathered with a seaworthy vessel properly equipped.

Libelant's witness, Silva, admitted that it was an unusual wind on the bay (Apostles, p. 56), and another of his witnesses, Peterson, testified that the heavy wind on the shoals near the creek made it very rough—"just like boiling water", and it was

an exceedingly difficult place to navigate (Apostles, p. 65). The libelant himself admits that it was blowing a gale at about 10:30 o'clock the morning of the accident (Cheda, p. 77). A very good idea of the severity of the gale can be gathered from the incident cited by Mr. Crowley, as an illustration. The schooner "Albion", loaded with coal at Fort Baker Wharf, had two anchors out in addition to her mooring lines, but the force of the wind parted all the lines and she was driven up on the beach (p. 163). The wind came up "all of a sudden, all at once" (Doe, Apostles, p. 193).

It having been shown that the launch and barge were both seaworthy and that the loss was caused by an act of God and a peril of the sea, the respondents are not liable.

SHOULD THE VOYAGE HAVE BEEN ATTEMPTED ON THE DAY IN QUESTION?

Whether the action of the captain of the tug, in leaving at the time he did, was proper or an error of judgment, or gross negligence, is a question which does not concern the liability of these respondents. That was clearly within the captain's province, and any interference with him in the exercise of his discretion would not only have been resented, but would have been highly improper. In this connection we quote from the syllabus of

Hanson v. Haywood Bros. and Wakefield Co.,
(C. C. A.) 152 Fed. 401:

> "The navigation and management of a vessel within the meaning of section 3 of the Harter Act, * * * includes the determination of the time and manner of leaving port, which is the prerogative of the master; and under said section, where a vessel was seaworthy and in all respects properly manned, equipped, and supplied, the owners are not liable for a loss or damage to cargo due to a peril of the seas, even though the exposure to such peril was through the fault of the master in failing to ascertain or heed the warnings of the weather bureau before starting on the voyage."

The owners of the barge testified that they never attempted to exercise any control over the "Seven Bells", as to when it should start on a voyage with its tow, and the owners of the "Seven Bells" testified that they never consulted the respondents on any matters pertaining to the navigation (Gilmore, Apostles, p. 125). They were simply obliged, under the contract, to get the barge to San Rafael and back again (respondent Halvorsen Transportation Co., Exhibit "A").

This Court, in *The Hardy,* 229 Fed. 985, speaking through Judge Gilbert, in an opinion handed down at the last term of the Court here, said:

> "A vessel which undertakes a towing service is not an insurer of the safety of the tow. It meets the full measure of its obligation if it is reasonably adequate to the towing service, and is in charge of men who possess and exercise the skill and care ordinarily exercised by those having experience in like service; and where the master is shown to have been experienced and competent, much must be left to the judg-

ment and discretion, and the burden rests on the owner of the tow to prove that loss or injury thereto resulted from negligence on the part of the tug. The Syracuse, 12 Wall. 167, 20 L. Ed. 382; The Cayuga, 16 Wall. 177, 21 L. Ed. 354; The Margaret, 94 U. S. 495, 24 L. Ed. 146; The Adelia, 154 U. S. 593, 21 L. Ed. 672."

IN REFERENCE TO THE "GOLDEN EAGLE".

The libelant's witness, O'Brien, claimed that he called up and was in communication with an officer of the respondent company in San Francisco, C. R. Codding, just after the barge had left and hazarded the opinion that the weather was too stormy for the "Seven Bells" to venture out alone with the barge and that they should send the "Golden Eagle" to assist it (O'Brien, Apostles p. 144). This is denied by Mr. Codding, who states that he received no message from San Rafael just after the barge had left. He telephoned to Mr. O'Brien, in San Rafael, between 10 and 11 o'clock that morning, to find out if the launch and barge had arrived there. At that time Mr. O'Brien made no claim that he had tried to reach him by telephone early in the morning (deposition C. R. Codding, Apostles, pp. 36, 37 and 38). We do not believe that this is sufficient to establish negligence even if it be assumed that the facts are as claimed by Mr. O'Brien.

In *Railroad Co. v. Reeves,* 10 Wall. 176, the instruction complained of was "that if the damages could have been prevented by any means within the

power of defendant, or his agents, and such means were not resorted to, then the jury must find for the plaintiff". The Supreme Court laid down the following rule, adopting the language of another case:

> "That when carriers discover themselves in peril by unavoidable accident the law requires of them ordinary care, skill and assistance which it defines to be the common prudence which men of business and heads of families usually exhibit in matters that are interesting to them."

Tested by the above rule, the charge of negligence must fail. No authorities hold that it is the duty of a carrier to send a vessel to assist when a vessel in which cargo has been shipped would be liable to meet with heavy weather at the end of the voyage. A carrier certainly cannot be held liable for failure to send a vessel on a complaint made by one of its *employes* because in *his* opinion such a peril did exist. Moreover, it appears from the evidence that the launch "Golden Eagle" had too deep a draught to navigate in the shallow water near the mouth of San Rafael Creek. She had been in the creek once or twice, during smooth water at high tide, but was too large a vessel for that trade (deposition C. R. Codding, Apostles, p. 39). It would be idle to speculate on what assistance the "Golden Eagle" could have rendered had she started in time, because the fact is that she could not have proceeded to the locality where the launch

was in difficulty; even the "Seven Bells" struck bottom on every swell (Apostles, pp. 103-124).

THE BILL OF LADING CONTAINED OTHER VALID EXEMPTIONS.

The libelant bases his claim against the respondents (other than the "Seven Bells"), on an alleged violation of certain rights arising from a contractual relation. No evidence of a contract of carriage was introduced by libelant, but respondents proved a copy of the bills of lading delivered to libelant's assignors, and offered it in evidence (Respondent's Exhibit "B"). The libelant admitted that the goods were shipped under bills of lading and offered to produce the originals (Cheda, Apostles, p. 86), but, as he failed to do so, we may consider the one in evidence a true copy.

The case has been considered up to this point on the Harter Act alone, and as if no bills of lading were involved. In order not to unduly prolong this brief we will discuss only one exemption of the bills of lading not also provided for under the terms of the Act. They provided, among other things, that the respondents should only be required to exercise due diligence to make the vessel seaworthy, and, if such diligence had been used, respondents should not be held liable for any loss caused by unseaworthiness. The vessel was not warranted seaworthy, except in so far as due diligence could make it so, and it was not to be

presumed that the respondents failed to exercise such diligence, but such failure must be alleged and proved by the shipper. So, even if it be held that the launch, "Seven Bells", was unseaworthy, because of the insufficiency of her engine, or for any other cause, and that such unseaworthiness was the proximate cause of the loss, the respondents cannot be held liable unless it is held that they failed to exercise due diligence in employing a seaworthy launch.

This is a valid provision in a bill of lading. The Harter Act has modified the policy of the law in that respect, and the vessel owner is no longer required to furnish a seaworthy vessel in any event, or be held liable for all injuries regardless of the character of the defect and his efforts to make the vessel seaworthy. The second section of that Act merely prohibits him from inserting any covenant in a bill of lading whereby his obligation *to exercise due diligence* to furnish a seaworthy vessel shall be lessened or avoided. The third section relaxes the policy of the former law by requiring only that the owner shall use due diligence to furnish a seaworthy vessel and provides that, if he does, he shall be exempt from losses caused by incidents therein specified.

In the case of *The Carib Prince,* 170 U. S. 655, the loss was caused by a latent defect in the construction of the peak tank of the vessel, and the Court held that she was unseaworthy on that account. The owners claimed that they were exempt

under the third section of the Harter Act, because the defect could not have been discovered by the exercise of due diligence. The Court held that the third section of the Harter Act did not of itself exempt a vessel from injuries caused by unseaworthiness, when due diligence had been used, but that the parties might so provide by contract. The vessel was held liable, as there was no such provision in the bill of lading.

In *The Arctic Bird,* 109 Fed. 167, decided by the District Court for the Northern District of California, the vessel was found unseaworthy, but the owners were held not liable because they had exercised due diligence to make the vessel seaworthy, and the bill of lading provided that, in that event, they should not be liable for injury caused by unseaworthiness on account of latent defects in any part of the vessel.

The question then on this point in the case at bar may be stated, as follows: Assuming that the owners of the barge were bound to exercise due diligence to furnish a seaworthy launch, could they by a careful inspection have ascertained that the launch did not have sufficient power to tow the barge on the San Rafael run in weather which might ordinarily have been expected, or that it was not the usual type of launch employed in that trade? In view of the uncontradicted, expert testimony that the launch was seaworthy, and was the usual type employed in such trade, it cannot be properly held that respondents failed to exercise

due diligence to obtain a suitable launch for towing the barge.

PROXIMATE CAUSE.

The District Court did not find whether the injury to the cargo was caused by the supposed unseaworthiness of the launch or by the peril of the sea which was encountered on the voyage. Independent of the Harter Act, the owners of the vessel exempted themselves, by the bills of lading, from damage caused by perils of the seas. Even if the respondents had failed to use due diligence in employing a suitable launch, still, if the proximate cause was a peril of the sea and not the alleged unseaworthiness of the launch, the respondents are not liable. The inquiry then is—if launches with greater horse power, and consequently larger boats with deeper draft, could have been, and were, operated in that trade, could the peril in the present case have been avoided with such a launch? Respondents are not liable if the storm would have driven the barge ashore had it been towed by such a launch.

The Planter, Fed. Cas. 11,207 (a);
The John C. Stevenson, 17 Fed. 540;
The Thomas Melville, 31 Fed. 486.

In the case of *The Samuel F. Houseman,* 108 Fed. 875, a barge was caught between two steamships in dock and sunk, damaging her cargo. The lower court held that the barge was unseaworthy

and rendered a decree in favor of the cargo owners. On appeal the Circuit Court of Appeals for the third circuit was not disposed to hold with the lower court on the question of seaworthiness, but held that it was not material because

> "an adequate and efficient cause of the sinking was shown by the testimony in regard to the storm * * * After a careful reading of the testimony on this point, we think that the sinking of the barge is reasonably accounted for by the testimony which connected it with the storm, and the consequent pressing together of the two large steamships, between which she was lying and in which dangerous place the appellee had allowed her to lie for 14 hours after she had been loaded."

In the case at bar the testimony shows that the storm encountered by the barge and launch was of unusual violence; that the launch was the largest which could have been used in that trade, and that even if she had been unseaworthy because of lack of power, a larger launch could not have prevented the accident. The fault was not lack of power in the launch; the propeller of the launch could not be kept in the water during the storm in the shallow bay near the entrance to the creek (Apostles, p. 132), and no steerage way could be had, due to her hitting bottom at every swell (Apostles, p. 195). This condition would have also parted the tow line (Apostles, p. 124).

In this connection, we call the attention of the Court to the rule that, where it is shown that the vessel encountered an excepted peril on the voyage,

which is sufficient to cause the injury, the cargo owner must then prove that the cause of the injury was unseaworthiness, rather than one of the excepted risks.

Transportation Co. v. Howner, 11 Wall. 29;
The John C. Stevenson, 17 Fed. 540;
Crowell v. Union Oil Co., 107 Fed. 302;
The Musselcrag, 125 Fed. 786.

THE LIABILITY OF THE RESPONDENTS IS LIMITED TO THE VALUE OF THE BARGE JUST AFTER THE ACCIDENT.

The Act of Congress of March 3, 1851 (Sec. 4283, U. S. Com. Laws; 9 Stat. 635), provides:

> "The liability of the owner of any vessel, for any embezzlement, loss, or destruction, by any person, or any property, goods, or merchandise, shipped or put on board of such vessel, or for any loss, damage, or injury by collision, or for any act, matter, or thing, loss, damage, or forfeiture, done, occasioned, or incurred, without the privity, or knowledge of such owner or owners, shall in no case exceed the amount or value of the interest of such owner in such vessel, and her freight then pending."

The respondents allege in their answer:

> "That the said barge was in no way in fault for the loss of, and damage to, said goods and merchandise; that if the said barge should be so found in fault that the same was done, occasioned and incurred without the privity or knowledge of the said Halvorsen Transportation Company, the owner of said barge, and accordingly, under the Act of Congress of March

> 3, 1851 (The Limited Liability Act, so-called), the said owner's liability is limited to the amount or value of its interest in the said barge and freight just after the stranding and wreck, as aforesaid, and that the value of said interest is the sum of four hundred (400) dollars."

The Limited Liability Act may be pleaded in the answer, without filing a petition for that purpose in separate proceedings.

> *The Great Western,* 118 U. S. 520 (30 L. E. 156).

We quote from the opinion of the Court, on page 158:

> "Limited liability may be claimed, 1, merely by way of defense to an action; or, 2, by surrendering the ship or paying her value into court. The latter method is only necessary when the shipowner desires to bring all the creditors claiming damage into concourse for distribution."

The words "privity or knowledge" came before the Supreme Court in construing the Limited Liability Act, in the *La Bourgoyne,* 210 U. S. 96, on page 122. The Court, quoting from the case of *Providence & N. Y. S. S. Co. v. Hill Mfg. Co.,* points out the necessity for a liberal construction of the Act by the Courts in favor of the shipowners, by stating that otherwise, the law would not be worth its enactment. It was there held that mere negligence did not of itself establish privity or knowledge on the part of the vessel owner within the meaning of the statute.

In the case of *The Colima,* 82 Fed. 665, the vessel capsized in a storm on account of improper construction of the vessel and the stowage of the cargo. It was found that her owners had not used due diligence to make the vessel seaworthy, and, consequently, were not exempt from liability under the Harter Act, but that, nevertheless, they were entitled to limit their liability under the Act of March 3, 1851. The test then to determine whether or not the injury was done, occasioned or incurred without the privity or knowledge of the owner cannot be predicated on the further question of whether or not he has used due diligence to furnish a seaworthy vessel.

We think it unnecessary to discuss the long line of authorities on these various points as this Court has already declared its policy of construing the Limited Liability Act in favor of the vessel owner. In *Boston Marine Ins. Co. v. Metropolitan Redwood Lumber Co.,* 197 Fed. 703, it was contended that the respondent company, the owner of the schooner "San Pedro", was not entitled to limit its liability because the president and manager of the company did not have the requisite knowledge to carry on the business in which the schooner was engaged, or to employ her officers. The Court says, in answer to that contention, on page 709:

> "It is contended that the evidence proved that he lacked the capacity to do this, and it is argued that, in order to be competent to manage a vessel, one must know something about the 'vessel business' and be able to judge of

> the competency of the people whom he is to employ, and that, in order to use intelligently the reports of employes concerning the fitness of a vessel and the proper equipment thereof, he must know how to manage vessels and know something of the dangers and difficulties to be provided against in navigating the same. It may be conceded that Atkinson did not possess all these qualifications. He was a business man, and, as such, for four years he had been the manager of the appellee's business. But we cannot concede that an owner of a vessel, in order to be entitled to limit his liability under the statutes, must, before sending his vessel on her way, acquaint himself with the science of navigation, or acquire expert knowledge concerning his vessel, its equipment, its machinery, or the necessary crew therefor, or must place between himself and the master an intermediary who shall possess such knowledge, and our attention has been directed to no authority which so holds. In Moore v. American Transportation Co., 24 How. 1, 16 L. Ed. 674, the Court said:
>
> 'The act was designed to promote the building of ships and to encourage persons engaged in the business of navigation.' "

When these cases are considered in connection with the failure of the District Court to find on this issue raised by the pleadings, we submit that even if respondents were liable,—and such liability we emphatically deny,—the Court erred in not referring to the Commissioner the question of the value of the respondents' interest in the freight and barge after the stranding and wreck.

Conclusion.

We respectfully submit:

1. That respondents had exercised due diligence to make the barge seaworthy.

2. That the barge was seaworthy.

3. That respondents had exercised due diligence to secure a seaworthy launch.

4. That the launch was seaworthy.

5. That the injury was caused by a peril of the sea and that the respondents are exempt from liability under the provisions of the Harter Act for the losses incurred by libelant and his assignors.

6. That if the loss was caused because the launch was unseaworthy, the respondents are still not liable because of the terms of the bill of lading which provided that in the event of loss the respondents should not be liable for any damage caused by unseaworthiness, if due negligence were used by respondents to secure a seaworthy launch, whether such unseaworthiness existed before or after sailing.

7. That the respondents were exempted under the provisions of said bills of lading for any damage caused by the perils of the sea, and if it be found that respondents failed to exercise due diligence to secure a seaworthy launch and that the same was not seaworthy, the respondents are still not liable if the proximate cause of the loss was a peril of the sea and not the unseaworthy condition of the launch.

8. That the evidence clearly proved the existence of a peril of the sea which was sufficient to account for the loss and that there is no evidence tending to show that the proximate cause of the loss was an unseaworthy condition of the launch.

9. That the injury was done, occasioned or incurred without the privity or knowledge of the respondents and that if liable at all their liability is limited to their interests in the barge and freight just after the accident.

Dated, San Francisco,
May 15, 1916.

Respectfully submitted,

O. K. Grau,
Ira S. Lillick,
Proctors for Appellants, Halvorsen Transportation Company et al.

Hill & Sealby,
Of Counsel.

No. 2760

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

HALVORSEN TRANSPORTATION COMPANY (a corporation), J. B. ARKISON, H. C. HALVORSEN, GEORGE W. DORNIN, C. R. CODDING, G. C. CODDING, P. S. COLBY and A. M. DEVALL, and a certain barge and the gasoline launch "SEVEN BELLS", her engines and machinery and appurtenances,

Appellants,

vs.

V. J. B. CHEDA,

Appellee.

BRIEF ON BEHALF OF CLAIMANTS OF LAUNCH "SEVEN BELLS".

LOUIS T. HENGSTLER,
I. F. CHAPMAN,
GOLDEN W. BELL,
Proctors for Claimants of Launch "Seven Bells".

Filed
MAY 26 1916
F. D. Monckton,
Clerk.

Filed this ..... day of May, 1916.

FRANK D. MONCKTON, Clerk.

By ..... Deputy Clerk.

PERNAU PUBLISHING COMPANY

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vs.

V. J. B. CHEDA,

Appellee.

BRIEF ON BEHALF OF CLAIMANTS OF LAUNCH "SEVEN BELLS".

I. Introduction.

It is to be noted that two distinct interests are severally appealing from the decree of the District Court.

One of these appellants is comprised of the Halvorsen Transportation Company, a corpora-

tion, which was libeled in personam, and which appeared and claimed the so-called "Certain Barge" which was libeled, and the divers individuals mentioned in the libel as stockholders in said corporation.

The other of these appellants is comprised of the claimants of the launch "Seven Bells". This is the interest on behalf of which this brief is submitted.

The Halvorsen Transportation Company, the barge and the individual stockholders were libeled as common carriers of certain merchandise which said company agreed to transport from San Francisco to San Rafael, and which was not all there delivered. The launch "Seven Bells" was employed by the Halvorsen Transportation Company to tow the "certain barge" upon which the merchandise was laden.

Therefore, as is more fully pointed out hereinafter, the question of the liability of the launch "Seven Bells" is entirely different from and independent of the question of the liability of the barge and its owners. The latter relates to the liability of a common carrier, *whereas the former relates to a towage liability.* This distinction is most important, particularly in its bearing upon the placing of the burden of proof.

After the filing of the libel against the "Seven Bells", and after she had been properly brought before the court, which was prior to August 24,

1914, as she was rapidly deteriorating, all parties, shortly before April 1, 1915, sitpulated that she might be sold and the proceeds deposited in court. Accordingly, on April 14, 1915, the launch was sold for $685, which sum was deposited by the marshal with the clerk.

No relief is sought by the claimants of the "Seven Bells" against the Halvorsen Transportation Company's interests, nor by those interests against the "Seven Bells".

In considering the following statement of the case, we respectfully request the court to keep before it the chart showing the relative locations of the points mentioned, and the course pursued by the "Seven Bells" and her tow.

II. Statement of the Case.

On December 30, 1913, the Halvorsen Transportation barge was loaded with the cargo herein involved (Ap. 44), a portion of which consisted of perishable goods, meat, groceries, etc. (Ap. 44). Libelant knew that this cargo was to be loaded on this barge, and that the barge was to be towed from San Francisco to San Rafael by the "Seven Bells" (Ap. 83, 84), as had been done for some five or six months (Ap. 94, 95). He knew, also, the peculiar aspects of the navigation involved, which required crossing the San Francisco Bay and the negotiation of the very shallow San Rafael Creek,

which could be entered only at high tide with a boat of light draft (Ap. 74-87). His contract of carriage was with the Halvorsen Transportation Company, *and not with the "Seven Bells'.* Between the "Seven Bells" and the Halvorsen Transportation Company there was only a contract of towage (Ap. 74, 75, 86, 87, 91, 92, 93).

The barge having been loaded, on the evening of December 30, 1913, at about seven o'clock P. M., the "Seven Bells" started from the San Francisco seawall for San Rafael with the barge in tow (Ap. 44, 45, 95, 117). She went almost to Alcatraz Island, and then, on account of the storm and the difficulty of entering San Rafael Creek in the darkness, put back to the seawall (Ap. 45, 96, 117, 136, 140). The wind, during this procedure, according to the records of the United States Weather Bureau, introduced by libelant, was from the southwest and was blowing at a velocity of: 7 to 8 o'clock, 42 miles per hour; 8 to 9 o'clock, 37 miles per hour; 9 to 10 o'clock, 38 miles per hour; 10 to 11 o'clock, 40 miles per hour (Ap. 140). As the "Seven Bells" was able to tow the barge back in the face of this wind (Ap. 45, 96, 117), there can be no question but that the "Seven Bells" was sufficient in power for the towage in question. She was a vessel of 50 horse-power, in dimensions 45 feet long, 15 feet wide, and 4½ feet deep. The barge was 68 feet by 28 feet, and drew from 12 to 16 inches (Ap. 95).

Having put back to the seawall, her crew were up during the night to observe the weather, realizing that they were obliged to get the perishable cargo to its destination without delay, and realizing, at the same time, that they must exercise due care as to when to start and how to get it there (Ap. 96, 118).

In the early morning of December 31, 1913, the storm appeared to have blown itself out (Ap. 55, 56, 62, 96, 97, 98, 105, 106, 117, 118, 137, 139, 162, 163, 164, 170, 181, 182, 191, 192), and in the exercise of their judgment from all indications, the "Seven Bells" started with her tow. That they exercised proper judgment and acted as reasonable, experienced navigators in starting at this time, cannot be doubted. Libelant's witness Silva said "it looked good that morning" (Ap. 62). Libelant's witness Peterson (who recollected nothing as to the particular day involved in this case, and testified only generally), said that he would have had no hesitancy in sending out such a combination from San Francisco when the wind was from 20 to 25 knots in San Francisco (Ap. 70). The United States Weather Bureau records, introduced by libelant, showed that the wind from one o'clock A. M., December 31, 1913, to the time of the start, blew a *total distance per hour as follows* (Ap. 136, 137, 138, 139, 140):

1	o'clock	A.	M.	to	2	o'clock	A. M.—28	miles
2	"	"	"		3	"	"	30 "
3	"	"	"		4	"	"	21 "

4	o'clock	A.	M.	to 5	o'clock	A.	M.—21	miles
5	"	"	"	6	"	"	19	"
6	"	"	"	7	"	"	18	"
7	"	"	"	8	"	"	22	"
8	"	"	"	9	"	"	21	"

It is to be carefully noted that these figures of the Weather Bureau *do not represent the velocity of the wind at any one time during a given hour but simply the total distance the wind blew during that hour* (Ap. 137, 138, 139), as the *actual* velocity is not recorded unless it exceeds *36 miles* per hour (Ap. 136), as it did during the evening of *December 30th,* as above pointed out. As the Beaufort Scale, used by the Weather Bureau, classifies wind rates as follows:

0	to	3	miles	per	hour—	Calm
3	to	8	"	"	"	Light Air
8	to	13	"	"	"	Light Breeze
13	to	18	"	"	"	Gentle Breeze
18	to	23	"	"	"	Moderate Breeze,

it will be seen that Mr. Peterson, in saying a start in a wind from *20 to 25 knots* was proper, was correct. Furthermore, both of the Gilmores and libelant's witness Silva (Ap. 56) testified that the wind was proper for the start, as was also the general outlook; Mr. Crowley, who went out later on the same day, did likewise (Ap. 164), as did Mr. Doe (Ap. 192), and Mr. McLaughlin (Ap. 181), both of whom started out on the same morning, December 31st, as did the "Seven Bells", at about the same time, and in boats of about the same power

as the "Seven Bells". And these men were disinterested witnesses. That the "Seven Bells" was adequately powered for her undertaking, and that it was proper for her to start when she did, on December 31st, cannot, we submit, be doubted.

The combination proceeded without trouble to a point beyond California City Point (Ap. 53, 109), and between that point and San Quentin Point (Ap. 98, 119, 53, 57), when *suddenly* the wind came up and a squall of *unusual violence and duration* arose (Ap. 56, 57, 119, 120, 163, 165, 172, 182, 183, 184, 192, 193, 196). It was the judgment of the "Seven Bells" that it was better to proceed, under the circumstances, than to attempt a return to San Francisco in the face of this sudden and violent squall (Ap. 120 and G. M. and A. H. Gilmore). It was a situation requiring the exercise of reasonable judgment—not absolutely infallible judgment—and the "Seven Bells" met it with all requisites. That it was not only reasonable, but wholly sound, in fact, in its judgment not to turn back, is conclusively proved by the fact that McLaughlin's boat, "John A. Brittain", a vessel of the same character, size and horse-power as the "Seven Bells", towing a barge *smaller* than the Halvorsen barge, while bound for a brick yard on the southerly side of McNear's Point, towing on a *5½-inch line, with the wind,* and two or three miles further off shore than the "Seven Bells", broke his *5½-inch tow line* at *two different times,* and had a man washed off of his launch by the sea (Ap. 182 et seq.). This is

proof absolute of the wisdom of the "Seven Bells" in not turning back or trying to get into deeper water. And it is corroborated forcefully by Mr. Doe, who was crossing on the same morning to Sausalito, with a launch in all respects like the "Seven Bells", with some cargo upon her. The squall shifted his cargo, flooded his engine room with water, and temporarily disabled his engine (Ap. 192).

No witness of libelant testified that the "Seven Bells" could or should have taken any course under the circumstances other than she did in fact take. No witness of libelant testified that, from the position off California City Point, the "Seven Bells" should have directly tried to get around McNear's Point. On the contrary, the "Seven Bells" witnesses said this could and should not have been done (Ap. 102, 184, 185). And that they were correct is proved by the fact that McLaughlin in the "John A. Brittain", *which was two or three miles further off shore* than the "Seven Bells" when the squall struck them, tried this course, and *barely escaped by a margin of sixty or seventy feet from being blown upon the rocky McNear's Point* (Ap. 187). Had he been where the "Seven Bells" was, he testified that he could not, by any possibility, have negotiated McNear's Point (Ap. 187).

The "Seven Bells", then, from the position between California City Point and San Quentin Point made for the mouth of San Rafael Creek (Ap. 57, 48, 99, 100, 101). She passed San Quen-

tin Point safely (Ap. 99). *No witness of libelant testified that this course was improper,* and the witnesses for libelant, three of them being disinterested, on the bay on the day in question, and familiar with the San Rafael run, testified that it was not improper (Ap. 71; 99 to 104; 119 to 121; 130 to 132; 173, 174, 176, 177, 185, 187, 194). Doe said, in the situation of the "Seven Bells" he *might* have tried to turn back, but said the course of the "Seven Bells" was, under the circumstances, proper, though he might have adopted the other (Ap. 193, 194, 196). That the "Seven Bells'" procedure was the better advised appears indisputably from what happened to the "John A. Brittain" and her barge, which were in a more favorable postion when the storm broke than was the "Seven Bells" (Ap. 182, 183, 184, 188). McLaughlin said he might have dropped anchor and tried to hold the barge off, had he been in the "Seven Bells'" situation; but he admitted that he did not think he could have succeeded in such attempt (Ap. 185, 186). There was not only no such negligence in proceeding as the "Seven Bells" did, as would make her liable; there was no negligence at all, and, on the contrary, the skillful execution of a judgment sound in fact.

When the "Seven Bells" arrived at the mouth of San Rafael Creek she tried to shorten line and get in (Ap. 100, 120); but she could not shorten line to any appreciable extent, as the condition of the sea was such as to make it hazardous to

do so, and, even if accomplished, to either break the shortened line, or tear the bits to which it was fastened out of the launch (Ap. 100, 120). Nor could the barge be taken into the Creek on the long line; *for though the launch herself could have entered, the wind and sea would then have thrown the barge on the rocks which run far out on the northerly side of the narrow and shallow channel leading to the Creek* (Ap. 99, 100, 120, 128, 129, 177, 178, 186).

Therefore the "Seven Bells", *disregarding her own safety,* deliberately turned away from this offered safety to herself alone, in a determination to save her tow at all hazards. She tried to get behind the small rocks known as the Marin Islands in the hope of protection from the wind (Ap. 101, 102, 121). But, owing to the force of the wind (Ap. 100, 101, 121, 122, 124) and the flood tide (Ap. 59), and the extreme shallowness of the water in that vicinity (Ap. 47, 59, 98, 103, 121, 166, 171, 174, 187, 195 and chart) her propeller being out of water a great deal of the time (Ap. 121, 124, 132), and her stern continually striking bottom, making steerage almost impossible (Ap. 103), and greatly detracting from her engine power (Ap. 103, 121, 122, 123, 124), she could not make this shelter (Ap. 101, 102, 121). She then did her best to make it around McNear's Point (Ap. 102, 103, 110, 121, 122), but the wind, tide and shallow water made it impossible, as was almost the case with the "John A. Brittain" (Ap. 182, 183, 184).

Seeing that this could not be done, the "Seven Bells", still pounding continually on the bottom, and her propeller out of water a great deal of the time, placed the barge in a position off a mud flat and let her go in order to beach her on the mud, as a last resort (Ap. 103, 104, 105, 107, 111, 122). Instead, in spite of the "Seven Bells' " best calculations, she went on the rocky point at the easterly end of the mud (Ap. 61, 62, 102, 103, 104, 105, 112, 122, 123, 179). Had the "Seven Bells" not dropped the barge, both vessels would have gone ashore, to no purpose (Ap. 106). The anchor, which was let go by Silva, the Halvorsen barge-man, of his own accord, tended to throw the barge on the rocks instead of letting her go on the mud, where she would have been safe (Ap. 105, 110).

The "Seven Bells" then waited until the barge beached (Ap. 122), went to San Rafael with all speed (Ap. 116, 112, 122), her crew returned to McNear's Point with all dispatch and did what could be done with the cargo, on that day and the next (Ap. 51, 112). They notified the Halvorsen Company of San Rafael of the accident, and Mr. O'Brien of that company went to the scene (Ap. 51, 145, 146).

No more could have been done than the "Seven Bells" did for the safety of this barge. Mr. McLaughlin's smaller barge went ashore on the *northerly and protected* side of McNear's Point, in spite of a heavy anchor and the break formed by the Point. That the Halvorsen barge went

ashore on the *southerly and exposed* side of that Point, then, is not at all to be wondered at. The remarkable thing is that the "Seven Bells" managed her so ably from the beginning, and kept her safe so long.

As to the unusual violence of the storm and the extreme suddenness with which it arose when the "Seven Bells" was between California City Point and San Quentin, there is no question. Libelant's witness Peterson did not remember anything as to that particular day, and his witness Silva said it was an unusual storm and very sudden "no fooling" (Ap. 55, 56). Doe, McLaughlin, Crowley (all disinterested witnesses) said it was an unusual storm—the hardest they had ever seen on the Bay, and very sudden. It broke McLaughlin's *5½-inch tow line twice* and washed a man off his launch. It shifted Doe's cargo, filled his engine room and stopped his engine. It broke the two anchor lines of the schooner which Crowley later rescued, and threw her on the beach. Its violence and suddenness, we submit, is proved without conflict. True, the weather records offered by libelant (Ap. 137) show that *in San Francisco* the *total distance which the wind blew* during each of the hours in question was as follows:

10 A. M. to 11 A. M.—26 miles
11 " " 12 Noon—25 "
12 " " 1 P. M.—33 "
1 P. M. " 2 P. M.—34 "

But the Court will bear in mind that these figures do not represent the *velocity* of the wind at a given time. At *1 P. M., for instance, the weather man testified that the wind blew at a velocity of forty miles in San Francisco.* So, assuming the velocity on the San Rafael side to have been the same as at San Francisco, the weather man's testimony is in full accord with that of the witnesses as to this storm. And particularly is this so when it is recollected that the wind on the San Rafael side may be much stronger than on the San Francisco side. The effect of the sudden wind on the boats of Doe, McLaughlin, the Gilmores and the schooner Crowley rescued, speaks louder and more convincingly than any testimony, even were there contrary testimony in the record—which is not the fact.

The "Seven Bells" did not telephone from San Francisco to San Rafael on the morning of the 31st to ascertain how the weather was there (Ap. 125). Nor did anyone from San Rafael telephone to San Francisco before the "Seven Bells" started, instructing her not to start (Ap. 35, 108, 125, 145). The libelant testified that Mr. O'Brien, the Halvorsen Company's agent at San Rafael, told libelant that he had telephoned to the *"captain of the barge"* (Ap. 81) not of the "Seven Bells", before she had left San Francisco, advising him not to come as the weather there was too rough (Ap. 81). Of course the testimony as to this conversation was not binding on the "Seven Bells", as it was pure hearsay, duly objected to.

It is to be noted that the captain referred to was not the master of the "Seven Bells", but *of the barge.* Mr. Codding himself testified that he telephoned to San Rafael from San Francisco on the morning of the 31st to see if the barge had arrived (Ap. 35, 36).

Mr. O'Brien, the San Rafael agent of the Halvorsen Company, testified that prior to this occasion the Halvorsen Transportation Company had repeatedly desired Gilmore, of the "Seven Bells" to "get a smaller boat", i. e., barge (Ap. 142, 143), as the company thought that *their own barge* was too large for the "Seven Bells" (Ap. 143). Mr. Codding's testimony is to the opposite effect, and he said:

> "We would have preferred to have a stronger tugboat at times of very severe winds, *but it was very difficult and impossible to get any boat to do better than that, because the draft there, or the channel, is very shallow, and you could not use the 'Golden Eagle' in San Rafael Creek. That was the best boat we could use We concluded right along we had the best tow available for that purpose"* (Ap. 158, 68, 106).

Mr. Gilmore said that he told Mr. O'Brien that the barge was too large for handling in "those narrow creeks" and at Jackson Street; but not on the Bay (Ap. 198).

Mr. O'Brien also testified that Gilmore, the master of the "Seven Bells", was not "an experienced man at the business" (Ap. 148). He did not report

his opinion to the Halvorsen Company, because he says

> "They knew it; they were going to make a change; they were figuring on some one to take his place, but they were never able to get anyone to take his place" (Ap. 154, 155).

Mr. O'Brien was not qualified as an expert on towage in any way (Ap. 148 et seq.). There is evidence of a personal animus on his part against Gilmore, and Mr. Codding himself said as to Gilmore's competency:

> "I do not recollect that question came up at all. I am satisfied—I never questioned his competency as a navigator, or heard it questioned" (Ap. 158).

There is not a syllable of evidence to show that Gilmore was not fully competent. McLaughlin says that he was competent (Ap. 189, 190) and his handling of the "Seven Bells" in the storm proves it. He had had years of experience on the water (Ap. 126, 127).

The Halvorsen Company had a launch of its own, the "Golden Eagle", of greater horse-power and deeper draft than the "Seven Bells" (Ap. 39, 152, 153, 158). She could not be used in San Rafael Creek because her draft was too deep (Ap. 158, 65, 59).

The testimony, *without contradiction,* shows that the "Seven Bells" was a good boat (Silva, Ap. 55); that she was sufficiently strong to handle the Halvorsen barge (except under extraordinary condi-

tions) (Peterson, Ap. 68, 70; G. M. Gilmore, Ap. 94, 106, 132; G. C. Codding, Ap. 157, 158; Crowley, Ap. 164, 165, 166, 169, 172, 175; A. H. Gilmore, Ap. 198); that she was peculiarly fitted for the service in which she was engaged, to wit, towing over a body of deep water and then into a very shallow creek (Ap. 158, 166, 167, 169, 190, 191).

With the facts before us, we now proceed to apply the law to them.

III. The Law Applicable to the Facts.

A. THE "SEVEN BELLS" NOT UNDER COMMON CARRIER'S OBLIGATION. BURDEN UPON LIBELANT TO PROVE NEGLIGENCE ON PART OF "SEVEN BELLS" NOT SUSTAINED.

It is clear that the "Seven Bells" was not under a common carrier's obligation as to libelant's cargo. This principle is well established:

> "The contract for the transportation of the car wheels was *between the libellant and the barge only. The tugs are in no way responsible to the libellant for the performance of that contract.* Their liability is under their contract of towage only, as to which the libellant is bound by the terms agreed on by the barge. *As it was known, when the cargo was shipped, that the barge would be towed to her place of destination,* the shipper, in the absence of anything to the contrary, is presumed to have left the time and the manner of the towage to the discretion of those in charge of her navigation.
>
> There can be no recovery in this action *except for negligent or unskillful towing. The tugs did not, by their contract, insure the safe delivery of the cargo at the end of their route.*

Their agreement was to tow the barge, and, in so doing, to use such care and skill as a prudent man would exercise, under like circumstances, in the management of his own business. The law implies that their care and attention were to be in proportion to the dangers encountered and the consequences of neglect. This is but common prudence. The greater the risk, the greater should be the effort to avoid it. *The burden of showing negligence is on the libellant. The mere fact of sinking the cargo is not enough. Actual fault, contributing to the loss, must be proven.*"

The W. E. Gladwish, 29 Fed. Cas. 17,355, at p. 587;

The Hardy, 229 Fed. 985 (C. C. A., 9th Circuit, 1915).

Therefore the burden was undoubtedly upon libelant to prove negligence upon the part of the "Seven Bells". As to the Halvorsen Transportation Company, whether or not the burden was upon it as a common carrier is not our concern in this brief. It is sufficient for our purposes that the "Seven Bells" *was not* under a common carrier's obligation. There might consistently be a holding that the Halvorsen Transportation Company failed to sustain the burden of proof upon it as a common carrier, and that the libelant failed to sustain his burden with reference to the "Seven Bells".

1. The Judge of the District Court Misconceived the Law.

It is apparent from the remarks of the learned judge of the court below that he tried the case upon the theory that the obligation of the "Seven Bells"

with reference to the cargo of the barge was that of an insurer, which was clearly erroneous:

> "The COURT. Q. If his judgment fails, who loses?
>
> A. Well it has always been customary that if you don't deliver the goods it is up to you.
>
> Q. That is, when you are carrying the goods on your own boat?
>
> A. From what I understand, and have understood for years, when you put a tow line on a barge, no matter who it is, it means it is up to you, it is your judgment to know whether to put that line on there or not. That is the way I have always taken it.
>
> The COURT. *That sounds pretty reasonable to me too. You don't think the shipper ought to be responsible for your lack of judgment do you?*
>
> A. No I don't think so.
>
> The COURT. *Nor do I.*"
>
> (Ap. p. 71; see also, Ap. p. 196.)

2. Departure of "Seven Bells" Proper.

We shall not again review the facts and circumstances surrounding the departure of the "Seven Bells" from San Francisco, as they have been fully stated above. It will be sufficient here to call to the attention of the court several cases in which the care to be exercised by the tow-boat as to when and under what circumstances to start on a voyage is defined.

> "But a low though rising barometer, *and the display of cautionary signals, are not alone, in my judgment, so certain indications of bad weather that trips of a few hours' duration only must be condemned, where all the ordinary signs visible to experienced and practical sea-*

men indicate safe weather for the trip. No experts were called to testify that the starting out was improper under the circumstances. If such short trips were condemned by law, as lacking ordinary prudence, on account of the mere possibility of danger suggested by the barometer and cautionary signals, in the absence of any other unfavorable indications, much of the towing business of this harbor must often come to a standstill for a considerable period, except at the risk of the tugs as in-insurers. Clearly, that is not the practice; nor is it the fair import of the contract of the parties in taking such boats to tow. Practices, or so-called customs, that are at variance with the obligations that the rules of law impose, are indeed void, and afford no defense. The Wm. Murtaugh, 3 Fed. Rep. 404. *But there is no rule of law, and I am not prepared to hold, that short towing trips must be condemned so long as the barometer is low, though rising, and cautionary signals are displayed, in the absence of all other indications of probable bad weather.*

The requirements of law are substantially the same, both as to the adequacy of the tug for the work assigned her, and as to proper weather for starting out; and it is the same that is applied to seaworthiness in general, viz: reasonable sufficiency for the particular trip or voyage, according to the judgment of persons versed in the business. The defense of unseaworthiness is not made out by showing that 'a stouter ship might have survived the peril'. Amies v. Stevens, 1 Strange, 128. *The law does not require a vessel, to be seaworthy, to be capable of withstanding every peril; nor that a tug be capable of rescuing her tow in all weather; nor that she shall start only when there is no possibility of danger; nor that the master in an emergency shall infallibly do*

that which, after the event, others may think would have been best. The Hornet, 17 How. 100; The Star of Hope, 9 Wall. 230; The W. E. Gladwish, 17 Blatchf. 77, 83; The Mohawk, 7 Ben. 139. *The tug must be reasonably adequate for the work undertaken; managed with reasonable judgment and nautical skill; and she must start only in weather that in the judgment of nautical men is reasonably safe for the trip. In whatever form the question comes up, whether as to seaworthiness, adequacy for the work, or the time of starting, it is a practical question of reasonable prudence and judgment. And as regards seaworthiness in general, or the adequacy of the tug for the work undertaken, there is no other final criterion than the judgment of practical men versed in the business and the customs and usages of the time and place, viewed as representing the judgment and knowledge of the time.* To show this, the custom and practice of nautical men is admissible. See The Titania, 19 Fed. Rep. 101, 105-109, and cases there cited. *The exercise of reasonable prudence and judgment, measured by this standard, does not exclude some remaining maritime risks. Against these risks it is the province of insurers to provide; otherwise, the shipper is his own insurer.*"

Judge Brown in *The Allie & Evie,* 24 Fed. 745, at 748, 749.

Judge Brown, in *The Frederick E. Ives,* 25 Fed. 447, at 449-50:

"Whatever might seem to be the natural probability, *I cannot hold that the majority of witnesses are certainly in error in saying that the wind at Norfolk was about N. at 8 P. M., particularly as Worden's testimony would only make the wind from N. to N.N.E. at bed-time. Nor do I feel prepared to hold, in the ab-*

sence of explicit evidence, that even if the wind was N.N.E. at 8 P.M., it was ipso facto negligence for the Ives to undertake to continue her trip four hours longer to the much better harbor of Bridgeport. Such a wind is doubtless unfavorable; but the approach of north-easterly storms is usually so gradual that *I do not feel warranted in holding the mere continuance of a trip for so short a space of time to be negligence, unless there were other decided indications of speedy bad weather. I think the weight of testimony of the nautical men in this case is altogether against the existence of such clear or certain indications of bad weather at that time.*" * * *

"The object of insurance is to cover the proper perils of the sea; but not, as respects the carrier, any neglect of ordinary judgment and nautical skill on his part. The carrier is bound to the exercise of reasonable judgment and skill; and if the loss happen through the want of either, the carrier must indemnify the insurer. In determining what constitutes reasonable care and skill, all the circumstances of the time and place, the capacity of the tug, the nature of the tow, and the length of the trip must be taken into account. *Nor can any exact criterion be found that does not necessarily still leave much to be determined by the judgment of the master formed upon the spot and amid all the surroundings as they appeared at the time.* On this subject, Chief Justice Waite says, in the case of The W. E. Gladwish, 17 Blatchf. 77, 83, 84:

'This involved the exercise of judgment as to what ought to be done under the circumstances. *A mere mistake is not enough to charge the tugs with any loss which followed. To make them liable, the error must be one which a careful and prudent navigator, surrounded by like circumstances, would not have made.*

* * * I cannot believe that ordinary prudence required an abandonment of the voyage, for the time being, by lying up or seeking a harbor. The tug was commanded by a competent master, and the captain of the barge was an experienced boatman. *No objection was made by anyone to going on, and it is evident that no person connected with the tow considered it necessary to stop.'* See, also, The Clematis, Brown, Adm. 499, 502; The Allie & Evie, 24 Fed. Rep. 745, 749, and cases there cited.

In this connection, the judgment of other captains and nautical men is competent,and entitled to much weight. Their judgment ought, indeed, to be controlling, if it were certain to be formed and expressed with impartiality. Making all just allowances for their presumptive bias in favor of the Ives, I cannot refuse considerable weight to the fact that the testimony of all the captains and pilots that were in the vicinity of Norwalk that night is that from sundown to 8 P.M., and even later, there were no indications of bad weather as should prevent the Ives from going on. The fact, moreover, that none of the men upon the 'boxes', some of whom had their families aboard, made any objection to going on, is negative evidence to the same effect, of at least some weight. The captain of the Ives, moreover, had had considerable experience on the Sound, and had never met with any previous accident. *He had no motive, so far as appears, for running any improper risks. There is no reason to doubt that his judgment was formed honestly and in good faith; and where the evidence fails to show clearly and decisively such signs of threatening weather, as according to the fair and reasonable judgment of persons of proved character and nautical skill, ought to forbid going on, the vessel should have the*

benefit of any reasonable doubt in the testimony."

(Ibid, 450-51.)

It is a very important circumstance, in the case at bar, that the voyage upon which all parties knew the barge with her cargo were to be taken by this particular launch, and this particular master, was short and necessitated crossing deep water first, and then negotiating an exceedingly shallow creek. This was the same situation presented in the *Allie & Evie,* supra, and Judge Brown pointed out, in his usual sound manner, the importance of its bearing upon determining whether or not the tow-boat was negligent.

In order not to add unduly to the length of this brief, we refer the court to the thorough discussion of the principles governing what constitutes proper care upon the part of a tow-boat in starting on a voyage, in

The Wilhelm, 47 Fed. 89, at 91 et seq.

The same principles which were very recently stated by this court, with reference to another phase of a towage, are equally applicable here:

The Hardy, 229 Fed. 985.

The testimony in the case at bar is not, in any particular, in conflict as to the propriety of the departure of the "Seven Bells" from San Francisco, at the particular time when she did depart. *On the contrary all of the witnesses, on both sides, agreed that the conditions were then proper for her*

to depart. The court should not substitute its own views for those of the nautical witnesses, nor should hypercritical scrutiny after the event be substituted for the judgment of the master of the tow-boat, exercised under the particular circumstances, as the legal test of fault.

The Wilhelm, supra;
The Czarina, 112 Fed. 541 (De Haven, J.);
The Covington, 128 Fed. 788;
The Hercules, 73 Fed. 255;
The Packer, 28 Fed. 156;
The Charles Allen, 23 Fed. 407.

> "*Even if the master made an error of judgment* in not returning sooner, *this is not the same thing as negligence, and negligence does not seem to me to be established by the testimony.* The Allie & Evie, supra."
>
> *The E. Luckenback,* 109 Fed. 487, 489.

The "Seven Bells" was under no obligation to telephone to San Rafael as to the weather there.

The Allie & Evie, supra, at 748.

San Rafael is far inland, and the weather there, in any event, would be no criterion of conditions on the bay.

3. Navigation of "Seven Bells" Proper.

It would serve no good purpose to repeat here the facts as to the voyage of the launch and her tow, as they are fully stated above in chronological order, so far as possible. The test as to whether the navigation was proper, and conformed to the require-

ments of the law is fully stated in the authorities already cited and quoted.

No witness, on either side, said that the navigation and handling of the "Seven Bells" and her tow were improper. There is no conflict of testimony on the subject. All of the evidence establishes that the navigation and handling of the vessels was wholly skillful and proper in view of all of the circumstances. The judgment of the court should not be substituted for the judgment of the nautical men before it.

4. Casting Off of Barge Proper.

This proposition is a corollary of those set forth above. Whether or not the barge should have been cast off under the circumstances, was a question for the judgment of those on the launch under the circumstances. There is nothing in the testimony to show that she should not have been cast off. The evidence shows, without conflict, that it was the proper thing to cast her off. In view of the extraordinary storm, *which was clearly a peril of the sea,* such was the only course which could have been pursued.

The Charles Allen, 23 Fed. 407.

5. "Seven Bells" Adequate In All Respects.

The facts show that the "Seven Bells" was an ideal boat for the towage in question. She was adequately powered, and her draft peculiarly fitted her for the navigation of the deep waters of the bay and the very shallow waters of San Rafael Creek. A boat of deeper draft could not navigate

in the creek, though she could navigate in the bay. It was necessary to have a boat which could do both. Such a boat was the "Seven Bells". The above authorities show that a tow-boat is not under obligation to be able to navigate under all circumstances. There must be some province left for insurers.

> "A vessel which undertakes a towing service is not an insurer of the safety of the tow. *It meets the full measure of its obligation if it is reasonably adequate to the towing service.* * * *"
>
> *The Hardy,* supra, at 986.

The opinion of the District Court expressly says that while the "Seven Bells"

> *"was able to handle the barge in deep water, or on the flats in fair weather,* she was not sufficient to handle the barge *on the flats in rough weather".*
>
> (Ap. 199.)

In other words, she was able to handle the barge *in all weather in deep water, and on the flats in fair weather.* No boat could have handled the barge on the flats in the weather encountered by the "Seven Bells". The experience of the "John A. Britton" shows that the storm which suddenly arose on the day in question was much out of the ordinary, and not such as was to be expected. The very nature of the voyage of the "Seven Bells", across deep water and then over shallow flats into a narrow and shallow creek involved the possibility of danger, as libelant well knew. Surely, if the "Seven Bells" was adequate in all weather in

deep water, and in good weather on the flats, she was "reasonably adequate to the towing service" (*The Hardy,* supra). *No vessel would or could have been more adequate on the flats under the circumstances.*

The testimony of the witnesses of both sides was unanimously to the effect that the "Seven Bells" was adequate for the towing service. There is no suggestion of a conflict in this respect. It cannot be doubted, we submit, that the "Seven Bells" met all requirements as to seaworthiness, power, draft and all physical qualities. Here, again, the court's opinion should not be substituted for that of the nautical experts before it.

Furthermore, libelant knew that this particular launch had towed this particular barge for several months, and would tow it on this occasion. He should have insured himself against such a loss as that which happened; for it was not due to any fault of the launch or her crew. The launch never guaranteed safe towage of the barge; she was employed, without any misrepresentation or concealment on her part, to tow this particular barge, and she did so. She did not warrant her power and ability against the elements.

It is respectfully submitted that not only has libelant not sustained the burden of proof upon him, as to the "Seven Bells", but she has affirmatively shown herself free of all fault and negli-

gence, *without any conflict of testimony upon any point.*

Inasmuch as the "Seven Bells" was sold for $685, which was deposited in the court below, the decree of the District Court should not only be reversed, but it should be ordered that, if any of that fund has been applied to expenses of this suit, libelant should be required to make it whole, so that the claimants of the "Seven Bells" receive the sum of $685 intact, just as they would receive the vessel itself had it not been sold.

Dated, San Francisco,
May 15, 1916.

Respectfully submitted,

LOUIS T. HENGSTLER,
I. F. CHAPMAN,
GOLDEN W. BELL,
Proctors for Claimants of Launch "Seven Bells".

No. 2760

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

HALVORSEN TRANSPORTATION COMPANY (a corporation), J. B. ARKISON, H. C. HALVORSEN, GEORGE W. DORNIN, C. R. CODDING, G. C. CODDING, P. S. COLBY and A. M. DEVALL, and a certain barge and the gasoline launch "SEVEN BELLS", her engines and machinery and appurtenances,

Appellants,

vs.

V. J. B. CHEDA,

Appellee.

BRIEF FOR APPELLEE.

H. W. HUTTON,
Proctor for Appellee.

Filed this.....day of May, 1916.

FRANK D. MONCKTON, Clerk.

By.....Deputy Clerk.

BERNAU PUBLISHING COMPANY

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Appellee.

BRIEF FOR APPELLEE.

Statement of Facts.

In this case, Halvorsen Transportation Company, held itself out as a common carrier of goods between San Francisco and San Rafael, California. The fact of its being a common carrier is alleged in the libel (Transcript, page 11); it is not denied in the answer, and the proof shows it to have been such; its barge upon which goods were carried, had

no motive power and the carrier had a contract with the owners of a tug boat known as the "Seven Bells", to, in all intents and purposes, do the carrying, the goods in question in this case, were laden on board of the barge at San Francisco, December 30, 1913, for carriage to San Rafael. The weather was somewhat, but not violently, stormy; the barge and tug started out on the voyage, but the tug which had previously shown itself to be of insufficient power to properly handle the barge in fine weather, *which they all knew*, found itself unable to handle the barge in the weather that then prevailed and the expedition put back to the seawall in San Francisco where it laid over night. At about 7:30 or 8 next day the weather had moderated somewhat, but the wind was again beginning to increase (pages 45, 46), and the sea was running still (page 118). They started without any investigation as to what the sea or weather was (pages 125-126). The wind was again increasing in force, the velocity being as follows, as shown by the United States Weather Bureau:

6 to 7 A. M.	18 Miles.
7 to 8 A. M.	22 Miles.
8 to 9 A. M.	21 Miles.
9 to 10 A. M.	23 Miles.
10 to 11 A. M.	26 Miles.
11 to 12 A. M.	25 Miles.
12 M. to 1 P. M.	33 Miles.

Those being the average velocities for the hour (pages 137-138) storm signals were raised in San

Francisco by the United States Weather Bureau at 7:30 A. M. on December 30th, and were displayed continuously until 7 A. M. January 1st (page 138).

At San Rafael, the destination of the vessel, the wind had not moderated during the night (page 77). There was telephone communication between San Francisco and San Rafael; the master of the tug did not ring up or ascertain the condition of the weather at San Rafael, but started out on an increasing wind at San Francisco, proceeded on his voyage and before he arrived at San Rafael ran into, *not a sudden storm,* but *ran into a wind that had been blowing all the time, where it was encountered* at this time. The barge was an unusual barge, had a large house on its deck, which of course offered area and resistance to the wind, and, instead of the tow boat towing the barge, the barge towed the tow boat. Finally, to save the tow boat, they cast off the hawser that connected the two vessels, and the barge went on shore. Some of the goods on board washed overboard; some were stolen; some sold by the Halvorsen Transportation Company who kept the money, but none of the shippers either received their goods or their value, excepting Cheda & Company who received a portion of what their goods were sold for after the trial had commenced. Of course in human affairs some force of nature in the nature of a storm could at one time have arisen, to some extent suddenly and overtaken a venture, although storms at

all times give warning to experienced persons; there is a lowering of clouds, something in the atmosphere, or some other premonition that always foretells a storm; but since the United States Weather Bureau has been established there has always been scientific knowledge in advance that a storm is coming, and such knowledge is almost as exact as the fact that the sun or moon will rise at a given time in a given locality. But in this case, as we have stated, the adventure did not encounter a storm that arose suddenly; it ran into a high wind that had been in existence for at least a day at the locality of its maximum violence, and the tug boat, found itself, as might have been expected, entirely unable to handle the barge and the barge went ashore and the goods were lost. In this case, of course, the barge and tow boat were the instruments of a common carrier used in performing the duties it owed to the goods he had contracted to carry. It was the duty of the carrier to see that all the instruments of the service were adequate and sufficient for the service, *and the burden rested upon the carrier to show why the goods had not been delivered to the consignees.* In this case, however, the carrier *showed nothing.* All the evidence, however, showed that the motive power selected by it, and of course over which the shipper had no control, was entirely inadequate for the venture and was known to be inadequate. We will take up the argument of this case by *citing testimony.*

Argument.

I.

THE TUG WAS OF INSUFFICIENT POWER, AND THE CARRIER KNEW IT.

Testimony of Silva (page 48):

"A. Yes, the towboat I don't thing is strong enough in that kind of weather."

Testimony of one of the Gilmores (page 111):

"Q. Was she (the barge) dragging the towboat?

A. She was backing up a little on the towboat.

Q. She was dragging the towboat instead of the towboat dragging the barge.

A. Yes, she was backing it back.

Q. In other words, the wind was so strong then that the towboat did not have power enough to hold the barge against it, and the barge was pulling the towboat back; that is what you mean by backing it, is it not?

A. I don't know what you mean, I say the barge was backing the towboat up at the time.

Q. You mean by that that the barge was pulling the towboat in the opposite direction from the way the towboat wanted to go.

A. You mean at the time we let her go?

Q. Yes?

A. Yes, sir.

Q. How long had she been doing that?

A. About ten minutes."

Page 112:

"Q. And far had you drifted in that ten minutes?

A. We didn't drift hardly at all; we found out we were losing though."

Testimony of A. H. Gilmore (page 132):

"Mr. HUTTON. Q. You didn't have power enough to pull it?

A. No, sir.

The COURT. Q. It was because of lack of power?

A. Yes, sir, and on account of the power not being on the water.

Q. It finally resulted in the barge pulling you, instead of you pulling the barge, is that correct?

A. Yes, sir, the boat drifted backwards."

Testimony of J. M. O'Brien, superintendent for Halvorsen Transportation Company (page 150) testifying as to a conversation with the owner of the "Seven Bells":

"Q. What was the substance of that conversation?

A. Well, the barge was too big for him to handle with the house on it.

Q. Did you ever have any accident prior to this time?

A. Not on account of the towing. It was too hard towing for the boat.

Q. You had never had any trouble prior to this accident?

A. No, sir. Of course we were late many times, but not any such trouble as that.

Q. Well, now, when was the first conversation you had to that effect, with Mr. Gilmore?

A. Well, that I can't tell you.

Q. Was it a month or two before this accident happened?

A. Oh, no. It was a conversation from the time he started to run. He seen that it was too heavy for him to handle."

Pages 153-154:

"The COURT. Q. Did you ever report to the company that Mr. Gilmore was, in your judgment, inexperienced?

A. They knew it; they were going to make a change; they were figuring on some one to take his place, but they were never able to get anyone to take his place.

Q. Who of the Halvorsen Transportation Company did you say anything to about Mr. Gilmore's competency?

A. Well, they knew it themselves. He was fighting with them all the time.

Q. You never talked to them about it?

A. Well Mr. Codding said he was going to make a change just as soon as he could get someone to take his place.

Q. It is only your conclusion as to what you think Mr. Codding knew of Gilmore's competency?

A. It is no conclusion. They knew it.

Q. How do you know they knew it?

A. Well, I have talked to George Codding about it.

Q. What did you say to him about it? (Objection.)

A. He said he would make a change just as soon as he could get somebody to take his place, but he didn't want him to leave him in a hole. He did not want to say much to him because he was afraid Gilmore would quit and leave him in a hole.

Mr. LILLICK. Q. Did you have more than one conversation with Mr. Codding about it?

A. That I could not say. It ran along during that period and I could not say whether I had one or two or a dozen.

* * * * * *

Q. That is just your private opinion?

A. No, from their own opinion.

Q. You mean to say that Mr. Gilmore himself thought that he was not competent?

A. The barge was too big for him. Many a time he would leave the barge up there and go back with the towboat."

We now refer to the testimony of A. H. Gilmore, the master and one of the owners of the "Seven Bells" (page 198):

"Q. Did you ever tell Mr. O'Brien, Mr. Gilmore, that the barge was too big for the 'Seven Bells'?

A. I told him in fact—*I told him of that fact,* yes, sir.

Q. Explain what you mean.

A. I told him for my own benefit in handling it down at Jackson Street, and in those narrow creeks—I told him that just for my own benefit, that is all.

Q. Did you ever tell Mr. O'Brien that the barge was too big for the 'Seven Bells' to handle out in the bay?

A. No, sir."

If the barge was too big for the "Seven Bells" to handle in San Rafael Creek and at Jackson Street in smooth water and sheltered, it was undoubtedly too large for it to handle in rough water. That the "Seven Bells" was not of sufficient power is conclusively shown from the fact that she was unable to handle the barge on the night of December 31st; she had to put back (pages 44, 96 and 97, 117).

It is also conclusively shown by the following testimony of A. H. Gilmore (page 124):

"The COURT. If you had a higher power tow boat, you would have had a boat with a deeper draft, and you would not be in that position at all?

(The Court there referred to where the barge was cast adrift.)

A. No, sir, I would not have been there at all."

Page 132:

"The COURT. Q. When did you first realize you could not make San Rafael Slough?

A. When we started to shorten the tow-line.

Q. When was that?

A. That was about 1000 feet from the mouth.

Q. How far were you then from the channel —I don't mean the channel of the slough, but the channel of those straits there. This is a shoal (referring to chart), and this is deep water. I understand part of the difficulty arose from getting on the shoals and the engine not working. When you realized you could not get in here what was there to prevent you from taking deep water and avoiding those difficulties?

A. We could not get back to deep water this way; you could not go in there against a head sea.

Mr. HUTTON. Q. You didn't have power enough to pull it?

A. *No, sir.*

The COURT. Q. It was because of lack of power enough to pull it?

A. Yes, and on account of the power not being in the water.

Mr. HUTTON. Q. It finally resulted in the barge pulling you, instead of you pulling the barge. Is that correct?

A. Yes, sir, the boat drifted backwards."

In the light of that testimony it was impossible for the court to arrive at any other decision than it did in this case.

The obligations of a common carrier are well known—there is no uncertainty about them. This court has passed upon the question many times as follows: The Medea, 179 Fed. 784:

> "Standard authorities show the first duty of the carrier, and one that is implied by law, is to provide a seaworthy vessel, *well furnished with proper motive power,* and furniture necessary for the voyage."
>
> The Lady Pike, 21 Wallace 1;
>
> The Musselcrag, 125 Fed. 786.

It is abundantly shown here and without contradiction, that this vessel was not supplied within the requirements of the above authorities.

II.

NEITHER THE HARTER ACT OR BILLS OF LADING ARE ANY DEFENSE.

Under the Harter Act the burden rests upon the carrier to show by affirmative proof that he has used *due diligence;* that the tug boat was sufficient; the master competent and the whole outfit sufficient for the undertaking it was engaged in performing.

The law is as follows:

> The Medea, 179 Fed. 784-785.

"In the case of the Mohler, 88 U. S. 230-233, a cargo of wheat had been shipped on a barge appurtenant to the steamer Mohler at Manukato, on the Minnesota River, destined for St. Paul on the Mississippi. The bill of lading contained the usual exemptions of the 'dangers of navigation'. The barge set up that the accident occurred through the sudden and unexpected gust of wind which overtook the boat as she passed through the pier, and that, therefore, she was unanswerable for the collision. The case was heard on the testimony introduced by the respondents, the libelants having called no witnesses. The Supreme Court held that:

'The burden of proof lies on the carrier, and nothing short of clear proof, leaving no reasonable doubt for controversy, should be permitted to discharge him from his duties which the law has annexed to his employment'."

In this case the respondents offered no proof at all; libelant did, and showed by uncontradicted proof that the tow-boat had not sufficient power to properly tow the barge *at any time*.

III.

THE MASTER OF THE "SEVEN BELLS" WAS INCOMPETENT.

It was the duty of the respondents to show the master was competent; they offered no proof upon that point worthy of consideration; in fact no proof at all, as all we have is that of McLaughlin (pages 189-190).

The facts are: Mr. Gilmore had never been to sea; he had used the "Seven Bells" in conjunction with his brother in peddling vegetables and fruit. A few months before the loss of this cargo they put a larger gasoline engine in the boat and went into the business of towing this barge. O'Brien testified he was not competent (page 148). A competent master would not have started out on the morning he did. Silva testified as to the starting (page 45):

> "Q. How was it the next morning?
> A. It looks pretty bad. After we left there, the wind started pretty strong again."
> * * * * * * *

Page 46:

> "A. I asked the captain if he thought he could make it on that kind of weather, and he said, 'Yes, *I think* I can make it, because daytime is better than night-time, *I think I will make it';* and he said, 'Let go the lines' and I let go the lines. After he left there the wind started pretty strong again.
> Q. How was the sea at the time you left the seawall?
> A. It looks bad, like the night before."

A competent captain would not have left under the circumstances, with the storm signals flying and without finding the conditions that prevailed at San Rafael.

Gilmore, the master, testified (page 117):

> "Q. The next morning, December 31, what time did you leave for San Rafael?
> A. Somewhere around eight o'clock, or a little after.

Q. What was the condition of the wind and weather at that time?

A. The wind had calmed down; *the sea was running pretty good, yet.*"

As to the burden being on respondents to show Gilmore was competent we cite:

The Wildcroft, 201 U. S. 378;

The Cygnet, 126 Fed. 742.

That Gilmore had no right to leave on the morning in question, we cite:

The E. T. Williams, 126 Fed. 871; Affirmed, 71 C. C. A. 357;

Egan v. Southern Towing Co., 189 Fed. 543;

In re McWilliams, 74 Id. 648;

The Nannie Lamberton, 85 Id. 983.

The fact that he did leave is almost conclusive evidence of his incompetency.

IV.

TESTIMONY OF THE WITNESSES CROWLEY, McLAUGHLIN AND DOE IS NOT WORTH CONSIDERING.

First Crowley testified (page 162) that on the morning of the 31st it "had been blowing a little, nothing to speak of, just an ordinary breeze". He is flatly contradicted by every other witness and by the records of the United States Weather Bureau. Those records are unquestionably correct.

But he started out the same morning and got into trouble. On page 165, however, he admits that his boats do not start out unless the conditions are favorable. But it appears that he started out to help the "Albion" which it appears was in trouble on account of the wind such as it was.

This witness again says (page 169) that he would not pay any attention to storm signals. We always supposed the United States Government went to the expense of maintaining that very efficient service to aid mariners. It does help prudent mariners. Anyone who does not pay attention to such signals is certainly not a prudent mariner. This witness, however, renders his whole testimony valueless for the respondents by his answer on page 175:

> "A. We do not take towboats out and try to do anything with them except under favorable conditions, and when there are heavy winds do not handle them at all.
> * * * * * *
> Q. Still you say you would take a chance on a morning like that?
> A. A man has to take a chance."

We do not think it the law for a common carrier or anyone else to take a chance at another's expense.

The witness Doe went out with a gasoline boat that got into trouble. His judgment was at fault also. But of course there is a wide distinction between the case of a boat that has nothing but herself to handle, and one that has a tow to handle.

His boat had as much horsepower as the "Seven Bells" and came near foundering.

McLaughlin, with a smaller barge, also had trouble. It is all very well for so-called experts to testify they would take a chance. The testimony of the experts in this case may seem all right to them; but their ideas do not state the law. The law is:

> The Mohler, 88 U. S. 230, 234:
>
> "Apart from this there is enough in the evidence to establish satisfactorily that the weather had not cleared, nor the direction of the wind changed, and that the boat should either not have left her moorings at Mendota, or have landed at some proper point before the piers were reached. It won't do to say that the wind moderated, and that the officers of the boat thought they could get through without trouble. *They had no right to think so*, for on such a day squalls were like to arise at any moment, and it was bad seamanship, being forewarned, to attempt to go through such a dangerous place in the river.
>
> * * * * * *
>
> Any prudent officer would have stopped until the weather became calm. At any rate it was the duty of the master of the boat in question to have done so, and, failing in this duty, he is chargeable with this consequence of his negligence." * * *

The "Seven Bells" was directly operated by her owners, so the Harter Act does not apply to her.

> Bradley v. Lehigh Valley, 82 C. C. A. 426;
> The Murrell, 200 Fed. 826.

In the case of the William E. Murtaugh, 3 Fed. Rep. 405, the court says on page 407:

> "Thus fifty steamships may run at full speed through a dense fog without disaster, yet if the fifty-first comes into collision with another vessel it would be no answer to the charge of negligence that the fifty did the same thing safely."

Page 408:

> "Many practices grow up in the navigation of the seas, and gain more or less acquiescence, partly from motives of interest, and partly from a supposed necessity of conforming one's business action to what others do under like circumstances in the competition for employment, but such practices if inconsistent with the standard of care and prudence which the courts of admiralty steadily adhere to for the preservation of life and property can receive no countenance from the court."

In the case of the Allie & Evie, there were no signs of a storm when the vessels started. The difficulty was not from lack of power, the loss was occasioned by a sudden squall not reasonably to be expected.

His Honor, Judge Brown, who decided that case subsequently decided the cases of

In re McWilliams, 65 Fed. Rep. 251, and
The Nannie Lambert, 79 Id. 721,

similar to this case, affirmed by the Court of Appeals and heretofore cited, all of which *are opposed in principle to the case of the Allie & Evie.*

V.

HALVORSEN TRANSPORTATION COMPANY SHOULD HAVE SENT THE "GOLDEN EAGLE" TO ASSIST THE "SEVEN BELLS".

It is the duty of the carrier to care for the cargo. Upon learning that the barge had left San Francisco, O'Brien, the agent of the carrier at San Rafael, telephoned his company in San Francisco asking if the barge had left; and upon learning that it had, advised the sending of the "Golden Eagle" to assist the "Seven Bells", stating that he doubted if the "Seven Bells" could make it (pages 81, 144, 145).

That conversation took place about 8:30. The "Golden Eagle" could have been on the ground at 10:30; the barge was not lost until after 12 (page 103). The "Golden Eagle" had about a 70-horsepower engine. Mr. Codding, however, thought he would also take a chance (page 145).

VI.

THE "SEVEN BELLS" IS EQUALLY LIABLE WITH THE BARGE AND OTHER RESPONDENTS.

The law upon that question is that when two vessels are engaged in a joint venture, both are equally liable.

Shipowners and Merchants Tugboat Co. v. Hammond, 218 Fed. 161;

Decision by this court, and many cases cited.

As to the "Golden Eagle", it is not a question in this case as to whether that vessel could have got into San Rafael Creek or not; the cargo was lost because of insufficient power to keep the barge off the rocks. When San Rafael Creek could not be entered, she drifted into shallow water. A more powerful tug would have kept her therefrom, as is abundantly shown by the evidence.

VII.

BRIEF OF HALVORSEN TRANSPORTATION COMPANY.

The first question discussed is, as to where the burden of proof rests.

The law upon that subject appears very clearly in the case of "The Medea" heretofore cited, decided upon a review of numerous authorities. We are unable to reconcile the argument of counsel with that decision; there is some slight difference, however, between that case and this, in this: that in this case the bill of lading introduced in evidence by counsel for Halvorsen Transportation Company, contains the following language:

> "(and the burden, to prove freedom from such negligence shall be on the carrier or party in possession.)"

In the light of that language the argument on pages 6 and 7 of said brief goes for naught. The cases cited are not applicable to this case, except that of "The Folmina", and as we read that case it is opposed to counsel's theory.

The second point is a claim that the barge was seaworthy. A barge to be seaworthy must be possessed either of sufficient motive power on board of itself, or be supplied with other sufficient motive power. This barge was not so supplied, and the court so found on uncontradicted testimony, *and Halvorsen Transportation Company knew it had not sufficient power.*

Notice to O'Brien, who was its general agent at San Rafael (page 141) was notice to the Halvorsen Transportation Company, the owner of the barge.

G. C. Codding, the secretary of Halvorsen Transportation Company, testified (pages 157-158) that O'Brien had talked to him occasionally about the way the Gilmores were handling the business, saying that he did not remember any conversation about the power of the "Seven Bells", and finally said (page 158):

> "*We would have preferred to have a stronger tugboat* at times of very severe winds, but it was very difficult and impossible to get any boat to do better than that, because the draft there, or the channel is very shallow, and you could not use the 'Golden Eagle' in San Rafael Creek. That was the best we could use. We concluded right along we had the best tow available for that purpose."

It would be very difficult to find stronger evidence of negligence or unseaworthiness than is found in that language. The witness admits the tow boat was not strong enough. If it was not, it

was the duty of the carrier to get one that was, and if one could not be obtained that could go into San Rafael Creek, they should have quit business. The carrier took all the risk of continuing in business under the state of facts shown in the testimony.

There is no evidence in this case of due diligence. There is evidence that chances were taken. In the case of The Cygnet, the following appears (page 746):

> "There is no evidence in the record that the owner of the tug, either the record owner or the owner *pro hac vice*, had made inquiries as to his competency. *The petitioner seems to think* it is sufficient to maintain their case that the owner or owners had no knowledge or reason to believe the master was not competent, but this form of statement is not sufficient because it does not comply with the statute, which requires 'due diligence'."

Due diligence was not shown in this case. Evidence of insufficiency of the tow boat and the incompetency of Gilmore is shown by positive testimony, testimony as to his incompetency appearing on pages 148 and 154.

The next proposition advanced is that this was an unusual wind. That is not the testimony; the testimony is that it was not an unusual wind.

Silva testified (page 56):

> "Yes, I seen more than that, but I did not work on that barge."

A witness may give his opinion as to the strength of the wind. No two witnesses ever agree on whether it is a storm or not.

The records of the United States Weather Bureau are the best evidence as to the wind on that day.

Between eleven and twelve when the barge got into difficulties, the wind blew 25 miles per hour; between twelve and one, when she went ashore, it blew 33 (page 137). *It was not even a storm.*

Witness Young of the United States Weather Service (page 137):

> "We call them storm winds when the velocity exceeds thirty-six miles an hour."

The wind of over forty miles per hour referred to by the witness on page 137, refers to December 30th, as we understand the testimony.

At any rate the wind only increased 8 miles per hour between 11 and 12 and 12 and 1. That is not very sudden. At no time did it reach a storm.

But storms are to be expected between November and January, and the weather is not to be depended on (pages 72 and 73).

As to the testimony of the witness Peterson (page 71) he testifies that if he takes out a barge and loses anything he has to pay for it, so what he testified to about whether he would have sent a vessel out must be taken in the light of that testimony, but his testimony should be taken as a whole.

We cannot find many of the provisions claimed to be in the bill of lading on file and introduced in evidence, and conclude counsel by mistake had a copy of a different bill of lading before him when he wrote the Halvorsen Company's brief.

As to limitation of liability, it is sufficient to say, that that is affirmative matter to be pleaded and proved. Assuming it was pleaded *no proof was introduced to show the value of the barge,* so that matter is necessarily ended.

Again, to be entitled to a limitation of liability, the vessel owner must have provided a proper vessel, properly found with power, etc. The court found that this vessel was not properly supplied with power, so how could it decree a limitation of liability?

VIII.

WE NOW TAKE UP ONE MATTER THAT WILL ANSWER FOR BOTH BRIEFS OF THE APPELLANTS.

That is, *the character of the liability of the tug boat.* In the case of The Columbia, 73 Fed. 226, this court had occasion to pass on a state of facts to some extent similar to those in this case, excepting that, in that case, the carrier chartered the barge and tug boat and it is said by this court in that case, on page 237:

> "As the wheat was to be carried on board the barge, which had no motive power, of necessity such power had to be supplied by the carrier. * * * When the tug made fast

and took in tow the barge, to perform the contract of carriage, the two became one vessel for the purpose of that voyage, as much so as if she had been taken on board of the tug, instead of being made fast there by lines."

Of course ordinarily the liability of a tow boat is not that of a common carrier; but if the carrier charters a tug and becomes owner *pro hac vice* and uses the tug in the service of carriage, the liability of the tug is that of the carrier.

In this case there was not only a charter, *but the tug was really the carrier,* the contract between the Gilmores and carrier reading as follows (Defendant's Ex. 1):

(Heading)

"AGREEMENT.

Between H. C. Halvorsen, party of first part, and A. H. & G. M. Gilmore, party of the second part.

That party of the second part is to haul all freight and express between San Francisco and San Rafael or other work of like nature.

Party of the first part agrees to compensate party of the second part the amount of Four Hundred ($400.00) for each months work.

Party of the second part is to furnish tow boat and men to handle cargo, to the extent of three men. Also fuel for the run.

Party of the first part is to furnish barge for all burden. This agreement (ot) to run for six months certain. Party of the first part has the option to extend this agreement one year further."

Under that contract, the Gilmores were to:

"*Haul all freight and expressage.*"

That is a contract of carriage, not the towing of a vessel.

> "To furnish tow boat *and men to handle cargo,* to the extent of three men."

If this had been a contract of towage, the contract would have simply read towage or the barge.

They were thus to haul freight and expressage, furnish a tow boat, and three men to handle the cargo.

They did all the work. Halvorsen Transportation Company did none of the work, or the carriage; *they simply furnished a barge.*

The fault of leaving in a high sea from a sheltered position at the seawall, and going out in the bay where there was no shelter, was thus the act of one of the joint carriers themselves, and not a fault of navigation.

Some mention is made in one of appellants' briefs about a shipping receipt.

Mr. Cheda testified he would produce one if he had it (pages 86 and 87). Nothing further appears in the record about it. That fact simply raises a presumption that Mr. Cheda could not find such receipt.

The court found among other things in this case (page 199):

> "My conclusions in this case is that while the 'Seven Bells' was able to handle the barges in deep water, or on the flats in fair weather, she was not sufficient to handle the barge on the

> flats in rough weather and that therefore the combination of barge and launch were not sufficient for the business in which they were engaged for weather ordinarily to be expected in winter." * * *

It is a matter of common knowledge that high winds and storms are to be expected in winter—the proof also shows it (page 65):

> "Q. Are you likely to have storms, or not? A. Yes; you cannot depend on the weather for one minute at this time of the year, from November to April."

If this was a sudden storm it was to have been expected, and should have been foreseen; so if the act of God created the storm, if it was a storm, human agency by its neglect contributed to the loss, and there is no excuse.

We respectfully submit that the judgment and decree of the court below should be affirmed.

Dated, San Francisco,
May 27, 1916.

H. W. Hutton,
Proctor for Appellee.